FIFTEENTH ANNUAL REPORT

To March 31, 1988

Alberta

Federal
and
Intergovernmental
Affairs

89-05206/

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To the Honourable Dr. David Carter
Speaker of the Legislative Assembly
of the Province of Alberta

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EDMONTON

Sir:

I have the honour herewith, for the information of the Legislature of Alberta, to present the fifteenth Annual Report of the Department of Federal and Intergovernmental Affairs, covering the period from April 1, 1987 to March 31, 1988.

I have the honour to be, Sir,

Your Obedient Servant,

James D. Horsman

James D. Horsman, Q.C.
Minister of Federal and
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Edmonton

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The Honourable James D. Horsman, Q.C.
Minister of the Department of Federal
and Intergovernmental Affairs

Sir:

I have the honour to submit herewith the fifteenth Annual Report of the Department of Federal and Intergovernmental Affairs covering the period from April 1, 1987 to March 31, 1988.

I have the honour to be, Sir,

Yours truly,

A.G. McDonald
Deputy Minister of
Federal and
Intergovernmental Affairs

Edmonton
July 7, 1989

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The Department of Federal and Intergovernmental Affairs

The basic objectives of the department of Federal and Intergovernmental Affairs are to represent Alberta's interests as an equal partner in Confederation and to ensure that all activities of the Government of Alberta in relation to the Government of Canada, governments of other provinces and territories, and the governments of foreign countries or states are conducted in a co-ordinated and consistent manner. The **Department of Federal and Intergovernmental Affairs Act, 1972**, established the terms of reference for the minister and the department. The responsibilities outlined in the Act may be summarized as follows:

- co-ordinating the Alberta government's activities in the intergovernmental sphere to ensure that they are consistent with the overall objectives of the Alberta government;
- conducting an ongoing review of the policies, programs, and activities of other governments which may affect Alberta; and
- signing all intergovernmental agreements.

While the administration of programs and, in most cases, the articulation of specific policy positions remains within other departments of the Alberta government, it is the responsibility of Federal and Intergovernmental Affairs to ensure co-ordination, consistency, and continuity in government policies when other governments are involved.

Operation and Organization

The operation of the department remained under the direction of Mr. A.G. McDonald, Deputy Minister, during the reporting period.

The functional divisions of the department comprised Economics and Resources, Social and Constitutional, and International, with Administration and Communications continuing to provide essential departmental services.

The structure of the department provides for contact with all provincial departments. Senior officers are assigned responsibility for specific areas and monitor, on a continuous basis, current developments that may affect Alberta's intergovernmental relations.

Administration

The Administration Division is responsible for the provision of general administrative and financial support services for the department, including human resources, finance, library, and records management. This includes the co-ordination and control of the administrative and financial aspects of all out-of-province offices, as well as the Office of the Alberta Trade Representative. As in previous years, a significant amount of work conducted by the division was in support of the Alberta out-of-province offices.

Departmental expenditures during the 1987/88 fiscal year totalled $7,862,000. The department had an authorized manpower complement of 69 permanent positions and 108.5 person years. Thirty-eight percent of the total expenditures during the 1987/88 fiscal year related directly to the support of the Alberta offices in Ottawa, London, New York, Hong Kong, Tokyo, Los Angeles, and Houston.

Translation Bureau

As in the past, the Translation Bureau offered support to all government departments, boards, and agencies with regard to translation services as well as simultaneous, consecutive, and escort interpreting.

One of the bureau's on-going concerns is the education of client departments and the general public with regard to professional translation and interpreting services. More and more client departments involved in international trade have realized that, in the long run, it is beneficial to use professional translators. The bureau was involved in career counselling at Archbishop MacDonald Academic High School (Career Development and Enrichment Program). It was also asked by Grant MacEwan Community College to contribute to the development of its International Communications Course, part of the International Business Program.

On the international scene, the bureau initiated contacts with the Beijing Institute of Foreign Languages (United Nations interpreters' and translators' training course) to arrange for a Canadian to study the discipline of interpreting (consecutive and simultaneous) in Beijing, China.

Translation demands from French into English and English into French were substantial. Growing requirements throughout the government for English/Chinese and English/Japanese translators could easily be accommodated through the bureau's national and international network of translators.

International

The International Division is responsible for monitoring and coordinating Alberta's international initiatives and for reviewing and making recommendations on provincial policies, programs, and activities that relate to Canada's foreign and trade policies. The division monitors developments and policies in other countries which may affect the province and assists with international visits to the province by foreign governments. The division works closely with Alberta's six foreign offices located in London, Tokyo, Hong Kong, New York, Los Angeles, and Houston.

During 1987-88, the International division continued to focus attention on the Canada-United States Free Trade Agreement and Alberta's priorities and concerns regarding this historic undertaking. Preparations for the new round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT) also continued.

Economics and Resources

The Economics and Resources Division is responsible for co-ordination of intergovernmental policies, programs, and activities dealing with economic and natural resource issues. In carrying out this responsibility, the division reviews policies, programs and legislation; participates in the negotiation of all related agreements; and provides advice and takes action within the intergovernmental setting in pursuing Alberta's goals and objectives in energy, agriculture, economic development, technology, tourism, transportation, utilities, consumer and corporate affairs, public safety services, national defence, national parks policy, and forestry, lands and wildlife. The division is also responsible for maintaining close links with the Governments of the Yukon and Northwest Territories.

The division is responsible for the administration of the Canada-Alberta Economic and Regional Development Agreement, a ten-year umbrella agreement to facilitate joint planning and joint action in pursuit of Alberta's economic and regional development objectives.

Energy and agriculture issues continued to be of primary concern during the year.

Economic diversification assumed an international focus when the Western Premiers established a Ministerial Working Group to work toward the removal of trade barriers, to review opportunities for investment and regional diversification, and to work toward and to implement new joint ventures. As well, the division was assigned the responsibility for co-ordinating the government's policy interests with the newly-created federal Department of Western Economic Diversification.

Other major activities included:

- consultations with other provinces and the federal government on the evolution and development of financial institutions, including a submission responding to federal Financial Institutions Amendments, and the discussions concerning issues of jurisdiction to promote effective regulation of the securities industry;
- the continued negotiation of agreements governing future roles and responsibilities for the regulation of telecommunications;
- the Canada-Alberta Agreement on Soil, Water, Cropping, Research and Technology Transfer, applicable in particular to northeastern soils;
- the Alberta response to the Management Plans for Banff and Jasper National Parks to ensure that these plans reflect a balanced approach to development, tourism, and the conservation of our natural resources;
- the Canada-Alberta Agreement on Emergency Planning and Response in National Parks to facilitate co-operation in emergency response;
- a submission regarding amendments to the **National Parks Act**, which recognized the critical importance of transportation corridors through the Parks and the importance of Parks policy to tourism;
- a submission regarding the federal **Emergency Protection Act** which ensures full intergovernmental consultations in responding to national emergencies;
- a submission regarding the **Environmental Protection Act** to include the recognition of equivalent provincial regulations;
- interim arrangements for the regulation of the transportation of dangerous goods which will promote more effective cooperation between both orders of government in their efforts to protect the environment;

- a submission regarding the **National Transportation Act** to reduce the regulatory burden on industry; and

- co-ordinating Alberta's response to amendments to the **Copyright Act**, which endorsed a new system of protection for the rights of authors, artists, and the creators of computer software, while also seeking exceptions for the perceptually disabled who have special needs when using certain copyrighted material.

Social and Constitutional

The Social and Constitutional Division develops policy recommendations for the government in the following areas:

- constitutional reform, including Senate reform,
- institutions of federalism,
- aboriginal constitutional matters,
- intergovernmental consultative mechanisms,
- fiscal federalism,
- general federal-provincial and interprovincial relations, and
- special projects relating to the operation of the federal system.

The division also co-ordinates, investigates and makes recommendations on intergovernmental aspects of social policy issues. The division ensures that, within the intergovernmental context, Alberta's goals and objectives are achieved in the following areas: education, manpower, immigration, health care, social services, justice, culture, labour, human rights, housing, municipal affairs, native issues, the status of women, recreation, and the Banff-Jasper townsite issue. In addition, the division monitors initiatives by the federal government and other provincial governments, and conducts research on intergovernmental matters.

In carrying out its responsibilities, the division co-ordinates the briefing for First Ministers' meetings, the Annual Premiers' Conference, and the Western Premiers' Conference. In 1987-88, this included co-ordination of preparations and briefing for the Annual Premiers' Conference held in Saint John, New Brunswick, August 26 - 28, 1987; the First Ministers' Meetings on the Meech Lake Accord, April 30 and June 2 - 3, 1987; the Annual Conference of First Ministers, Toronto, November 26 - 27, 1987; and the Western Premiers' Conference in Humboldt, Saskatchewan, May 26 - 27, 1987.

A major focus for the division during the reporting period was the Meech Lake Accord - the complex negotiations leading up to the Accord and the subsequent follow-up. There was continued intensive work to develop further recommendations concerning Senate reform, a priority issue for the Alberta government.

Another highlight of the reporting period was the signing on June 21, 1987, by provincial and federal ministers, of the Dedication to commemorate the December 23, 1986 settlement of the Fort Chipewyan Cree Band treaty land entitlement claim. The agreement settled the largest outstanding treaty land entitlement claim in Canada. As well, there was further progress on establishing a new form of local Métis government on Métis settlements and on developing a constitutional amendment to protect the land transfer to the Métis.

Communications-related activities of the division included preparation of a weekly report summarizing Alberta government and legislature activities, with the report being distributed to Alberta Members of Parliament, and the preparation of a monthly list of anticipated intergovernmental conferences and meetings.

Communications

Communications provides public relations counsel and information services for the department and Alberta's out-of-province and foreign offices.

Asia-Alberta Exchange, a quarterly publication describing Alberta's activities with Asian countries, including the province's special relationships, was co-ordinated and produced by the division. The tabloid is distributed widely in Alberta and overseas.

The division operated a gift bank for the government to help select appropriate gifts for incoming missions and for ministerial and departmental delegations internationally.

Communications also began to produce a new publication, *Alberta Focus*, which is distributed monthly through Alberta's foreign offices. The publication contains information regarding economic, cultural, technological, and political trends and events in Alberta, as well as information on the activities of Alberta's foreign offices.

Finally, the division co-ordinated the government's efforts to provide information to the public with respect to the Canada-United States Trade Agreement. These efforts included the formation of a Speakers' Bureau, the production of informational material, and the dissemination of information provided to the department by the federal government.

Ottawa Office

The Ottawa office monitors federal government and parliamentary activities in order to provide up-to-date information to the Alberta government on current issues and developing trends that will impact on the province. Close contacts are maintained with federal cabinet ministers, Alberta members of parliament, senators, and federal government officials to advise them of Alberta's policies and concerns. To facilitate communication between the two orders of government, the Ottawa office reports daily on relevant statements from the House of Commons Question Period, prepares a weekly report summarizing current federal developments for distribution to Alberta cabinet ministers and government departments, and provides news clippings from major eastern papers.

During 1987-88, the Ottawa office closely monitored key issues including the negotiations on the Canada-United States Free Trade Agreement, activities related to the Meech Lake Accord, energy, agriculture, tax reform and the Method of Payment under the **Western Grain Transportation Act**. Major legislation tracked through Parliament included the **National Transportation Act**, the **Canadian Environmental Protection Act**, the **Official Languages Act**, tax reform legislation, and amendments to the **Patent Act**, the **Copyright Act**, and the financial institutions legislation.

The office assisted in the administrative arrangements for Alberta's participation in six First Ministers' meetings, four on the Free Trade Agreement and two on constitutional reform, and other intergovernmental meetings. The office provided working facilities and secretarial and communication services for Alberta government officials in Ottawa. Assistance was also given to visiting Alberta businessmen and organizations. The office participated in arrangements for a barbeque hosted by the Calgary Tourist and Convention Bureau. Information on Alberta government programs and policies, the provincial economy, tourism, and a wide variety of other subjects was provided to federal government officials, members of the diplomatic corps, academics, businesses, and the general public.

Conference Activity

During 1987, Federal and Intergovernmental Affairs continued to participate in many federal-provincial, interprovincial, and regional conferences. The extent of the department's participation depends, to a large degree, on the level of the conference, the agenda, and the location. Intergovernmental conferences have become an important and recognized mechanism for facilitating cooperative activity within the federal system.

Federal-Provincial Activity

The following tables on federal-provincial meetings and conferences take into account all meetings at the first ministerial, ministerial and deputy ministerial levels in which Alberta was a participant. The charts do not reflect the numerous consultations at the officials' levels.

Table I classifies the meetings into three categories:

bilateral - meetings between representatives of the Government of Alberta and representatives of the federal government.

regional - meetings between representatives of the Government of Alberta, one or more other western provinces, and the federal government.

multilateral - meetings between representatives from all or most of the provinces and territories, and representatives of the federal government.

Table II identifies the federal-provincial meetings and conferences according to the level of representation at which Alberta was a participant. Three levels of representation are isolated: first ministerial, ministerial, and deputy ministerial.

Both tables present the total number of federal-provincial conferences by level of representation, categorized into a cross-reference of areas of governmental activity. As such, these tables highlight those policy areas which required the most attention in terms of meetings and conferences, and the level of representation which was required for consideration of the subject. The figures represent meetings which were convened in response to a particular concern or situation, as well as those meetings which are held on a continuing basis and have become more permanent intergovernmental mechanisms.

The large number of meetings in the "Trade" category indicates the frequency of meetings relating to the free trade negotiations. These meetings included those at a senior officials' level, those of Designated Ministers for Trade Negotiations, and First Ministers' Meetings. Many intergovernmental meetings also concerned agriculture because of the low world prices for agricultural commodities.

Many federal-provincial conferences are served by the Canadian Intergovernmental Conference Secretariat (CICS), a permanent body jointly funded by federal and provincial governments. Services provided by the Secretariat include correspondence with delegates concerning conference arrangements and agenda, preparation of conference transcripts and summary statements, simultaneous French/English translation services, distribution of documents, and the maintenance of records. The Secretariat provides these services for all First Ministers' meetings and is available to provide similar services and facilities for meetings of ministers and deputy ministers.

TABLE I

Frequency of Federal-Provincial Meetings and Conferences According to Category and Area of Government Activity - Alberta Participation, 1987

	Bilateral	Regional	Multilateral	TOTAL
Constitution	0	0	4	4
General Government	1	0	1	2
Finance	2	0	6	8
Agriculture	0	0	10	10
Transportation	0	0	1	1
Education	0	0	1	1
Energy Resources	3	2	6	11
Environment	0	0	6	6
Employment	0	0	4	4
Statistics	0	0	0	0
Welfare	0	0	4	4
Health	0	0	2	2
Industry	1	0	5	6
Trade	0	1	18	19
Urban Affairs	0	0	3	3
Justice and Laws	0	0	4	4
Consumer Affairs	0	0	3	3
Communications	0	0	1	1
Aboriginal Constitutional Matters and Native Affairs	1	0	5	6
Status of Women	0	0	3	3
Culture	0	0	3	3
Tourism	0	0	2	2
Forestry	1	0	8	9
Miscellaneous	0	0	6	6
TOTAL	**9**	**3**	**106**	**118**

TABLE II

Frequency of Federal-Provincial Meetings and Conferences According to Level of Representation and Area of Government Activity - Alberta Participation, 1987

	First Ministerial	Ministerial	DM	TOTAL
Constitution	2	0	2	4
General Government	1	0	1	2
Finance	0	7	1	8
Agriculture	0	3	7	10
Transportation	0	1	0	1
Education	0	1	0	1
Energy and Resources	0	10	1	11
Environment	0	2	4	6
Employment	0	3	1	4
Statistics	0	0	0	0
Welfare	0	3	1	4
Health	0	1	1	2
Industry	0	5	1	6
Trade	5	2	12	19
Urban Affairs	0	1	2	3
Justice and Laws	0	2	2	4
Consumer Affairs	0	1	2	3
Communications	0	1	0	1
Aboriginal Constitutional Matters and Native Affairs	1	3	2	6
Status of Women	0	3	0	3
Culture	0	1	2	3
Tourism	0	2	0	2
Forestry	0	8	1	9
Miscellaneous	0	4	2	6
TOTAL	**9**	**64**	**45**	**118**

Interprovincial Activity

Considerable intergovernmental activity takes place among the provinces. Provinces meet to compare policy positions and to discuss matters of mutual concern and interest. Such meetings also afford the opportunity to discuss matters of an interprovincial nature. Sometimes they are held prior to federal-provincial conferences, and participants discuss common concerns and attempt to reach a unified provincial position. Permanent mechanisms for interprovincial cooperation have been established in some instances. On a regional basis, Alberta participates in the Western Premiers' Conference, which is usually held annually. The pinnacle of interprovincial cooperation is the Annual Premiers' Conference.

Tables III and IV break down the various interprovincial meetings and conferences held during 1987 into categories similar to those used for federal-provincial meetings.

The large number of meetings in the "Energy and Resources" category reflects, to a large extent, a series of bilateral meetings held to discuss natural gas pricing arrangements.

TABLE III

Frequency of Interprovincial Meetings and Conferences According to Category and Area of Government Activity - Alberta Participation, 1987

	Bilateral	Regional	Multilateral	TOTAL
Constitution	1	0	0	1
General Government	1	1	2	4
Finance	0	1	1	2
Agriculture	0	0	1	1
Transportation	0	1	1	2
Education	0	0	4	4
Energy and Resources	19	0	2	21
Environment	0	0	1	1
Employment	0	0	2	2
Statistics	0	0	0	0
Welfare	1	0	3	4
Health	0	0	3	3
Industry	0	0	0	0
Trade	0	1	1	2
Urban Affairs	0	0	1	1
Justice and Laws	0	0	0	0
Consumer Affairs	2	0	0	2
Communications	0	0	0	0
Aboriginal Constitutional Matters and Native Affairs	0	0	0	0
Status of Women	0	0	0	0
Culture	0	0	1	1
Tourism	0	0	1	1
Forestry	0	0	0	0
Miscellaneous	0	0	2	2
TOTAL	**24**	**4**	**26**	**54**

TABLE IV

Frequency of Interprovincial Meetings and Conferences According to Level of Representation and Area of Government Activity - Alberta Participation, 1987

	First Ministerial	Ministerial	DM	TOTAL
Constitution	0	0	1	1
General Government	4	0	0	4
Finance	0	2	0	2
Agriculture	0	1	0	1
Transportation	0	2	0	2
Education	0	3	1	4
Energy and Resources	0	18	3	21
Environment	0	0	1	1
Employment	0	1	1	2
Statistics	0	0	0	0
Welfare	0	3	1	4
Health	0	2	1	3
Industry	0	0	0	0
Trade	1	0	1	2
Urban Affairs	0	1	0	1
Justice and Laws	0	0	0	0
Consumer Affairs	0	2	0	2
Communications	0	0	0	0
Aboriginal Constitutional Matters and Native Affairs	0	0	0	0
Status of Women	0	0	0	0
Culture	0	1	0	1
Tourism	0	1	0	1
Forestry	0	0	0	0
Miscellaneous	0	1	1	2
TOTAL	**5**	**38**	**11**	**54**

Summary

Intergovernmental meetings are fundamental mechanisms in the conduct of federal-provincial and interprovincial relations. They provide an important forum for participants to exchange information and views, to attempt to resolve conflicts, and to reach agreement. At a time when interdependence among governments is increasing, the interaction afforded by intergovernmental meetings is invaluable.

Conferences of Provincial Premiers

Provincial Premiers have been meeting annually since 1960. These interprovincial meetings are important features of the Canadian intergovernmental process, because they provide Premiers with the opportunity to study and discuss issues of mutual concern and interest. The timing of the Annual Premiers' Conference in mid-August presents an excellent opportunity for provinces to consider possible agenda items for the Annual First Ministers' Conference held in November.

Annual Premiers' Conference

The 28th Annual Premiers' Conference was held in Saint John, New Brunswick, August 26 - 28, 1987. The department was responsible for coordinating the briefing and preparations for the conference. Leaders of the governments of the Northwest Territories and Yukon attended the conference as observers, a practice begun in 1982. Agenda items for the conference included:

- the economy,
- trade,
- interprovincial and federal-provincial relations, and
- constitutional issues.

Communiqués from this conference are included in Appendix II. A summary of the meeting highlights follows.

Economy

Premiers reviewed economic issues of concern. They noted that Canada's economy was highly dependent on trade and that unfair export competition, growing international subsidies, and protectionism were particularly devastating in certain sectors. As well, the need for concerted national action to meet developments in the international trade environment was supported.

Premiers also discussed a number of issues including:

- agriculture

  They supported federal action aimed at ending international commodity subsidy wars, and called for a Special Grains Program for 1987.

- regional development

  They identified economic imbalance in Canada as a problem for national unity, noted the Atlantic Canada Opportunities Agency and Western Diversification Fund initiatives as promising, and called for equitable federal procurement processes.

- high technology

  They recognized the importance of high technology as a prerequisite for the realization of future economic development opportunities throughout Canada, and called for a meeting of Science and Technology Ministers to prepare a report for submission to the First Ministers' Conference in November.

- energy

  They affirmed that security of Canada's energy supply is a national problem requiring a national solution, and supported federal-provincial cooperation in the development of new and existing energy sources.

Trade

Premiers affirmed that the prime objective of the negotiations with the United States must be secure access to the American market, including a joint and binding trade disputes settlement mechanism. They committed themselves to work together in assisting any part of the country, or any particular economic sector, that is harmed by actions taken by Canada's trading partners. As well, Premiers called for the use of all strategic instruments to be considered by the federal and provincial governments in dealing with trade harassments perpetrated by other countries.

Interprovincial and Federal-Provincial Issues

Premiers discussed a variety of questions relating to federal-provincial fiscal issues, program responsibilities, and national priorities. Regarding the present state of fiscal arrangements and its effect on provincial ability to provide essential services, Premiers asked their finance ministers to report on the present and projected adequacy of financing arrangements (including Equalization and Established Programs Financing) prior to the next First Ministers' Conference. Also, finance ministers were to provide a detailed accounting of federal offloading of financial responsibilities to the provinces. Premiers asked their ministers of health to report through them to the First Ministers' Conference on the most effective directions to be taken in health services. In order to provide a process for developing education strategies, Premiers asked their ministers responsible for education and the labour market to form a working group. As well, Premiers urged the federal government to come forward with its proposals for a national policy regarding the funding of child care.

Western Premiers' Conference

The Western Premiers' Conference, in its current format with the four western provinces in attendance, was first held in 1973. Prior to that time, the Alberta, Saskatchewan, and Manitoba Premiers met as the Prairie Economic Council. The objectives of the conference are to ascertain where there may be areas of mutual and effective cooperation between the provinces and to attempt, where feasible, to achieve a western position on economic and social policy matters. The 1987 Western Premiers' Conference was held May 25 - 27 in Humboldt, Saskatchewan. The department was responsible for co-ordinating the briefing and preparations for the conference.

The agenda for the 1987 Conference was:

- agriculture, natural resources, and trade;
- western economic diversification; and
- federal and provincial relations.

Communiqués from this meeting are included in Appendix III. A summary of meeting highlights follows.

Agriculture, Natural Resources, and Trade

On the subject of agriculture, Premiers called on the federal government to make an announcement on a deficiency payment for farmers, to "fast-track" negotiations on ending subsidies and reducing the world grain surplus, and to develop an aid program to move this surplus grain to countries in need. As well, the issues of farm debt, stabilization and crop insurance, grain transportation, milk marketing, and research into cost reductions were discussed. In dealing with renewable and non-renewable energy resources, Premiers emphasized that security of supply must remain a national priority and agreed that development of new energy resources must continue. On trade, Premiers reaffirmed their support for the continuing Canada-United States trade negotiations, which would ensure continued western economic development. Also, Premiers endorsed Canada's initiative to bring agriculture to the agenda of the Uruguay round of GATT negotiations.

Western Diversification

Premiers called on the federal government for an early announcement of the federal strategy on western economic diversification in order that long-term policies to benefit and stabilize the western Canadian economy could be put in place. As well, Premiers established a Western Ministerial Working Group on diversification to assist the federal government in the design of the program, with progress reports to be made promptly to the Premiers.

Federal and Provincial Relations

In the area of securities regulation, Premiers were concerned about the bilateral agreement between Ontario and Ottawa, which was reached without consultation with other provinces. This agreement was seen as an unacceptable federal intrusion on provincial jurisdiction, necessitating future cooperation to facilitate a solution. Premiers also affirmed their support for the Meech Lake Constitutional Accord, with Alberta and British Columbia expressing their support for a Triple E Senate in relation to the anticipated second round of constitutional negotiations provided for in the Accord.

Annual Conference of First Ministers

The Annual Conference of First Ministers was held November 26 - 27, 1987 in Toronto. The meeting was the third annual conference to be held as a result of a Memorandum of Agreement signed by First Ministers on February 15, 1985 in Regina. This memorandum provides for a yearly conference of First Ministers and a jointly determined agenda, including a review of federal-provincial relations and a discussion of the Canadian economy.

The agenda for the November 1987 conference was:

- review of the state of the federation and the economy,
- ministerial reports, and
- economic development.

Economy

In his opening remarks, Premier Getty focused primarily on the Canada-United States Free Trade Agreement and its benefits for Alberta and Canada (see Appendix IV). The Premier noted that the agreement would provide secure markets for Alberta's traditional export products, assist in the diversification of Alberta's economy, and stimulate investment in the province. As well, Premier Getty stated that the agreement did not threaten Canadian culture, sovereignty, or social programs and that it was necessary in order to combat growing U.S. protectionism.

On other subjects, the Premier indicated Alberta's interest in women's issues, Alberta's commitment to the preservation of family life, and the need for more balanced economic growth in all areas of Canada.

Ministerial Reports

A number of sectoral reports were reviewed by all First Ministers and approved for tabling and public release at the conference. These reports were:

- Report on Public Sector Procurement Initiatives: Summaries of Task Force Reports on Public Sector Procurement.
- Report of the Federal-Provincial Task Force on Regional Development Assessment.
- Discussion Paper on Canada's Research and Development Effort.
- Toward a Labour Force Strategy: A Framework for Training for Women - Progress Reports. Work and Family Responsibilities.
- Report of the National Task Force on Environment and the Economy.

Public Sector Procurement Initiatives

First Ministers approved recommendations by their ministers aimed at strengthening the ability of regional firms to bid on federal contracts and encouraged ministers to carry on their work plan.

Report on Regional Economic Development

First Ministers approved a report containing recommendations prepared for ministers responsible for regional economic development. It proposes a new orientation to direct regional development policy and programming over the next decade.

Discussion Paper on Science and Technology

The document, "Discussion Paper on Canada's Research and Development Effort," was tabled as a discussion paper, *not* as a consensus paper or document receiving official approval from First Ministers. The foreword in the document notes that the paper is designed to facilitate discussion and that it does not necessarily reflect the views of all governments.

Reports on Issues Affecting Women and Families

Towards a Labour Force Strategy: A Framework for Training for Women - Progress Reports

Following from the First Ministers' Conferences in 1985 and 1986, each jurisdiction submitted progress reports to this year's First Ministers' Conference to demonstrate the variety and number of initiatives taken to improve training opportunities for women. The document tabled is a compilation of these progress reports. The next phase in the implementation of appropriate measures includes:

- a further progress report to First Ministers in 1988, with particular emphasis on occupational integration for women - improving women's participation in apprenticeship programs; and

- a joint meeting of ministers responsible for the status of women and the Council of Ministers of Education in 1988 to review progress made in implementing equality in education and training measures.

Work and Family Responsibilities

First Ministers tabled a brief report endorsing the development of strategies to harmonize work and family responsibilities. They directed that:

- ministers responsible for the status of women initiate discussions with relevant ministries in each jurisdiction to develop and implement a strategy which ensures a successful integration of work and family responsibilities; and

- ministers table comprehensive strategies at next year's First Ministers' Conference.

Report of the National Task Force

First Ministers endorsed the report in principle. The report's main objective is to promote environmentally sound economic growth through private and public sector cooperation. The report points out that conservation and economic development are linked. First Ministers asked environment ministers to prepare a report for next year's conference on progress achieved.

Report on Foreign Overfishing

Since the report itself is confidential, the only document released publicly is a summary. First Ministers approved the report, which recommends that Canadians take bilateral and multilateral measures to curb overfishing on the Grand Banks, just outside of Canada's 200-mile zone.

Interprovincial Trade Barriers

At the closing press conference, the Prime Minister released a three-page document agreed to by First Ministers at the Friday private luncheon (See Appendix VI). The document provides terms of reference for a Committee of Ministers on Internal Trade, representing all provinces and the federal government and reporting to First Ministers. The Committee was directed to give immediate attention to barriers to government procurement, liquor board marketing practices, and transportation regulations, and to report back to First Ministers by June 1988.

Economic Development

In his remarks on economic development, Premier Getty stressed that Alberta was working hard in its recovery from the economic downturn of the previous two years. The health of the traditional priority industries of agriculture and energy was being restored, and diversification efforts directed at such fields as tourism, forestry, and research and technology were proving to be successful. In particular, the Premier called for the following:

- in the agriculture sector - deficiency payments and payment of the Crow Benefit directly to producers; and

- in the energy sector - fiscal tax arrangements for oil sands development, movement on heavy oil upgrader projects, and continuation of federal programs, such as the flow-through share system, to attract capital to small oil and gas producers.

The Constitution

Canada's First Ministers met on April 30, 1987 at Meech Lake and reached unanimous agreement on major proposals for constitutional change. These proposals, reflecting the culmination of complex and sensitive intergovernmental negotiations, were designed to allow Quebec to resume its place as a full participant in Canada's constitutional development and to provide for future constitutional discussions on Senate reform.

The principles agreed to at Meech Lake were subsequently translated into a draft constitutional text by federal and provincial officials. The proposed constitutional amendments were reviewed and unanimously approved by First Ministers on June 3, 1987 in Ottawa. The June 3 Constitutional Accord, once approved by Parliament and the Legislative Assembly of each province, and proclaimed in force by the Governor General, will give constitutional expression to the principles of the Meech Lake agreement.

The Accord dealt with a few main areas:

- the recognition of Quebec as a distinct society within Canada,
- immigration,
- the Supreme Court of Canada,
- the federal government's spending power,
- the constitutional amending formula,
- Senate reform, and
- the entrenchment in the Constitution of annual First Ministers' Conferences on the Economy and on the Constitution.

Alberta entered the constitutional discussions at Meech Lake with two fundamental objectives. The first was to bring Quebec back into the constitutional fold in a way that would reflect the principle of the constitutional equality of all provinces. The second was to gain a national commitment to the necessity for Senate reform.

These objectives were achieved. The final agreement ensured that Quebec would return as a full partner in Confederation while the principle of the constitutional equality of the provinces was maintained.

Senate reform was affirmed as a national imperative with the commitment to hold annual First Ministers' Conferences on the Constitution, with Senate reform as the priority agenda item, to be entrenched in the Constitution.

In addition, until the Senate is reformed, the federal government has agreed to appoint senators from a list submitted by the province. An Alberta Senate position has remained vacant since September 1987; the Alberta government has taken the position that there should be no further appointees to the Senate, that senators should be elected.

A resolution supporting the Constitutional Accord was introduced in the Legislative Assembly on June 17, 1987. Debate on the resolution began when the fall sitting of the Assembly commenced on November 23. On December 7, 1987 the resolution was passed unanimously by the Alberta Legislature.

As of the end of the reporting period, resolutions supporting the Accord had been passed in two other provincial legislatures: Quebec, on June 23, 1987, and Saskatchewan, on September 23, 1987. As well, the House of Commons passed a resolution supporting the Accord on October 26, 1987; this resolution was then to be dealt with by the Senate within 180 days.

Aboriginal Matters

After aboriginal constitutional discussions had concluded in March 1987, the Alberta government proceeded on its commitment to deal with aboriginal aspirations for self-government at the grassroots level. The Honourable Ken Rostad tabled "Implementation of Resolution 18" on June 17, 1987. This document, developed jointly by the Alberta Federation of Metis Settlement Associations and the Alberta government, consisted of three components:

a) a revised Metis Betterment Act to be known as the Metis Settlements Act which describes and would establish a new form of local Metis government on the Metis settlements;

b) a proposal to transfer 1.28 million acres of land by means of Letters Patent from the Alberta Crown to the Metis; and

c) a proposed amendment to the Alberta Act which would constitutionally protect the land transfer.

Another highlight of the reporting year was on June 21, 1987, when the Honourable James Horsman; the Honourable Neil Webber, Minister of Energy; and the Honourable Don Sparrow, Minister of Forestry, Lands and Wildlife, signed a dedication to commemorate the December 23, 1986 settlement of the Fort Chipewyan Cree Band treaty land entitlement claim. The Cree Band Chief and Councillors signed on behalf of the Band. Federal signatories were the Honourable Bill McKnight, Minister of Indian Affairs and Northern Development; and the Honourable Tom McMillan, Minister of the Environment.

The agreement settled the largest outstanding treaty land entitlement claim in Canada, and provides for approximately 4,970 hectares of land to be set aside for nine Indian reserves and $26.6 million in cash compensation. On February 12, 1988 the first reserve site, known as Devil's Gate, was formally transferred to the federal government by the Honourable James Horsman. This transfer, which included mines and minerals, enabled the Cree Band and the Fort Chipewyan Development Corporation to proceed with a granite quarry on the Devil's Gate site.

Energy

Intergovernmental relations in energy saw progress in four areas: security of crude oil supply, natural gas deregulation, free trade, and coal sales to Ontario.

With the precipitous decline in world oil prices in 1986, serious concerns were expressed about the impact this would have on energy investment, long-term oil supply, and regional development. These concerns were repeatedly stated at First Ministers' meetings, the Annual Premiers' Conference, the meeting of the Council of Canadian Energy Ministers, and in bilateral meetings with the federal government. At the meeting of the Council of Canadian Energy Ministers, Alberta tabled a discussion paper entitled "Energy Security for Canada - the Oil Supply Option." The outcome of that meeting was a strong communiqué endorsing Alberta's concerns. During the year, substantial progress was made in negotiations on the Lloydminster Heavy Oil Upgrader and the OSLO integrated oil sands mining project.

Alberta was also successful in securing movement toward a deregulated environment for natural gas. Western Gas Marketing Limited (WGML) concluded amended pricing agreements with Ontario and Quebec distributors. This led to a very difficult situation with the Manitoba government when their consumers were not offered the same terms. By June 1988, however, negotiations reached a successful conclusion to the satisfaction of Alberta producers and the Manitoba government.

As the year progressed, the move to gas deregulation caused a number of regulatory policies to be reviewed by the Alberta Energy Resources Conservation Board (ERCB) and the Public Utilities Board (PUB). The two agencies submitted a joint report which recommended that Alberta's core market be defined to include residential and commercial consumers, including institutions providing an essential service. It was also recommended that all consumers have access to transportation services on distribution systems. This was subject to direct purchase core customers' paying costs associated with leaving or returning to system supplies. Core consumers were also to be protected through the reliance of gas utilities or direct sellers on long-term contracts. These recommendations would serve to clarify, within Canada, pricing policy in a deregulated environment.

Negotiation of the Free Trade Agreement during this period resulted in a specific chapter on energy. The agreement included provisions which enhance access to the U.S. market, define how each party would have access to the supplies of the other, and outline the principles of incentives and investment. Access to markets would be enhanced through the phased-in elimination of tariffs and fees, the prohibition of export taxes, minimum import and export price requirements, and each party's right to consultation if a regulatory agency of the other made a discriminatory decision. Access to supplies was to be made available on a non-discriminatory basis. The agreement also contained provisions respecting conditions under which export restrictions could be imposed. The agreement allows both parties to continue to provide incentives for exploration and development for oil and gas, and it "grandfathers" the investment policies pertaining to the oil and gas sector which were in effect on October 2, 1987.

Following the release of a task force report investigating the potential for increased sales of western Canadian coal to Ontario, the three western Premiers, the Ontario Premier and the Deputy Prime Minister established an action committee to investigate means to enhance the competitiveness of western Canadian coal. An intergovernmental secretariat identified some 14 initiatives which could reduce the delivered cost of western coal. The cost to develop all the initiatives to commercial readiness totalled $80 - $100 million. The stage was now set to pursue them on a selective basis.

Agriculture

Agricultural issues continued to be a major intergovernmental concern in 1987-1988. The agriculture industry in Alberta was under severe economic pressure with farm incomes, exclusive of government payments, decreasing nearly twenty percent from five years earlier. Alberta's intergovernmental strategy sought action in four key areas:

- Progress in reducing distortion in world food markets through the introduction of discipline and a limitation in the use of trade distorting subsidies.
- Continued government support for grain and oil seed farmers until lessened government intervention by major trading countries was reflected in price and income improvements.
- Conclusion of a Free Trade Agreement which included provision for free access of Canadian livestock and meat products to the U.S. market.
- Changing the method of payment of the Crow Benefit from the railways to the producers.

These objectives were pursued at intergovernmental conferences throughout the year. At the May Western Premiers' Conference in Humboldt, Saskatchewan, the Premiers encouraged the federal government to "fast-track" negotiations to end international subsidies and reduce world grain stocks. They also encouraged the federal government to make an early announcement for an increased and substantial deficiency payment to grain producers. Also, Alberta and British Columbia advised the other western Premiers of their desire to conduct a pilot project which would pay the Crow Benefit to producers in their provinces.

At the Annual Premiers' Conference in Saint John, New Brunswick, Premiers encouraged the federal government in its effort to end the international grain subsidy wars and to continue to support Canadian farmers by immediately announcing a deficiency payment for the 1987 crop year.

The importance of the agriculture sector and the need for domestic and international policy discipline was reinforced by Premier Getty at the First Ministers' Conference in November.

While the crop yields were generally above average, resulting in record grain export sales, low prices and the burden of debt from previous years carried by many farmers left most grain farmers depending on government programs for a substantial portion of their 1987-1988 incomes.

In December 1987, the federal government responded to provincial calls for action with a major package of announcements, including an extension to the Special Canadian Grains Program valued at $750 million, the "write-down" of the debt accumulated under the Western Canadian Grain Stabilization Fund, and a $75 million soil conservation initiative, $15 million of which was targeted for western Canada.

Economic and Regional Development Agreement

Federal and Intergovernmental Affairs is responsible for the administration of the Canada-Alberta Economic and Regional Development Agreement (ERDA). The ERDA, signed on June 8, 1984, is an umbrella agreement establishing a framework for federal-provincial cooperation and co-ordination in achieving Alberta's economic and regional development objectives.

The ERDA was designed to tailor federal programs and policies to Alberta opportunities and priorities, create mutually supportive and reinforcing development activities, strengthen multi-departmental coordination within and between the two governments, and reduce duplication and regulation. This new approach was developed to ensure that governments can deliver their programs more effectively and efficiently, thereby creating an important new vehicle for intergovernmental cooperation.

The ERDA Management Committee, co-chaired by the Deputy Minister of Federal and Intergovernmental Affairs and the Deputy Minister of Western Economic Diversification, is responsible for co-ordinating activities, advising ministers, and implementing ministerial decisions. ERDA programs and activities are administered through subsidiary agreements and memoranda of understanding implemented by line departments. Division officials serve as ex-officio members of management and steering committees of subsidiary agreements and memoranda of understanding, advising on the inter-relationship of specific initiatives to the broad objectives of the Agreement and providing liaison to the ERDA Management Committee. These subsidiary agreements are an important mechanism to promote regional development and diversification in Alberta.

Subsidiary agreements (cost-shared 50:50) have been concluded in the areas of:

Forestry	$23 million
Tourism	$56.3 million
Northern Development	$40 million
Agricultural Processing	$50 million

Memoranda of understanding focus on harmonizing policies and on-going activities. Five memoranda of understanding are in operation:

Tourism Development
Agri-Food Development
Science and Technology
Native Development
Transportation

During the year, considerable effort was undertaken to expand the role of the ERDA in Alberta through increased subsidiary agreement activity. In spite of the following efforts, no tangible progress was achieved as a result of inadequate action on the part of the Government of Canada.

- Industrial Development Assistance - a proposal was put forward to tailor federal industrial assistance to Alberta's needs through a cost-shared subsidiary agreement.
- Soil and Water Conservation - initiatives were taken to develop an agreement to protect and enhance Alberta's agricultural land and water resources.
- Mineral Development - efforts were aimed at developing a $40-million agreement with programs addressing metallic and industrial minerals.
- Cultural Industries - efforts were aimed at developing programs and obtaining a commitment in principle to conclude a subsidiary agreement.
- Forestry Development - Alberta initiated discussion aimed at renewing and enhancing the current agreement, which expires in March 1989.
- Agricultural Processing and Marketing Assistance - Western Economic Diversification was requested to allocate additional funds in order to respond during the term of the subsidiary agreement to the large number of applications received.

Federal-Provincial and Interprovincial Programs and Agreements

Part of the department's mandate is to approve all intergovernmental agreements to ensure that all agreements reflect and are consistent with Government of Alberta policy. During 1987-88 more than sixty agreements were signed by Alberta. These agreements are listed in Appendix VII. Among the agreements signed this year are the following:

Amendment to the Tax Collection Agreement

The amendment to the Tax Collection Agreement between the Government of Canada and the Government of Alberta advances personal income tax installments to the province by one month. Two payments were advanced in February 1988, instead of one. The earlier payment is due to the federal revenue requirement that large employers accelerate their remittance of source deductions to the federal government.

Reciprocal Processing of Medical Claims

During the reporting period, five bilateral agreements concerning the reciprocal processing of medical claims were finalized. The objective of these agreements is to facilitate the processing of doctors' medical claims when a resident of one province receives treatment in another. Agreements are in place with British Columbia, Saskatchewan, Ontario, Nova Scotia, and Newfoundland.

Alberta-British Columbia Agreement to Exchange Tax Information

An Alberta-British Columbia Agreement to exchange information concerning the administration and enforcement of tax laws was signed. Bilateral agreements are expected to be in place with all provinces in the following year.

Alberta-Canada Accord on Employability Enhancement for Social Assistance Recipients

The purpose of the agreement is to provide for more equitable participation of social assistance recipients in job creation and enhancement programs sponsored by both the federal and provincial governments. Under the terms of the two-year agreement, the federal and provincial governments will each contribute $8 million per year to federal and provincial job creation programs in the province. The agreement terminates March 31, 1989.

Alberta-Saskatchewan Agreements in Science And Technology

In an effort to foster greater cooperation and to contribute to the economic development of the western region, the provinces of Alberta and Saskatchewan have signed a Memorandum of Understanding in the areas of Joint Electronics, Design, Evaluation and Testing and have agreed to a Joint Contractual Working Relationship. These agreements will promote the optimal use of human and physical resources and, at the same time, provide for mutually beneficial business opportunities. As such, a Joint Steering Committee, which includes the President of the Saskatchewan Research Council and the President of the Alberta Research Council, has been established to identify the areas of mutual interest and to establish guidelines for the exchange of proprietary information.

Canada-Alberta Agreement in Disaster Services and Emergency Planning

In September of 1987, the governments of Canada and Alberta agreed to co-ordinate their activities for emergency planning and disaster response in the national parks located in Alberta. This agreement confirms, recognizes, and expands the powers of the Parks Superintendent in accordance with the **Public Safety Services Act** of Alberta by designation as the "local authority." Further, the agreement specifies the financial obligations of both Canada and Alberta in the event that emergency services are required in the national parks.

Alberta-Northwest Territories Cooperative Forest Fire Zone Agreement

The Alberta-Northwest Territories Cooperative Forest Fire Zone Agreement (signed in January 1988) provides for cooperation in fighting fires along the Alberta-Northwest Territories boundary. This agreement specifies the financial responsibilities and the authority for each of the respective areas in the event that a forest fire should threaten the communities or areas along the Alberta-Northwest Territories boundary.

Alberta-Canada-Northwest Territories-Saskatchewan Research Council Contractual Agreement

In February 1988, Alberta entered into a joint contractual agreement with the Saskatchewan Research Council and with the governments of Canada and the Northwest Territories. The purpose of this agreement is to evaluate the role and importance of particulate emissions found in precipitation and deposition in western and northern Canada. This study is in accordance with Alberta industry and reinforces Alberta's long-standing commitment to the preservation of the natural environment.

Canada-Alberta Waterfowl Crop Damage Compensation Program Agreement

Amendments to the Canada-Alberta Waterfowl Crop Damage Compensation Agreement (signed in February 1988) modified the levels of compensation payable for crop damage caused by waterfowl. The purpose of the amendment was to reflect the average coverage per acre of the Crop Insurance Program in western Canada.

Alberta's International Offices

London Office

The longest established of Alberta's offices abroad is Alberta House in London, which is responsible for representing Alberta's interests in the United Kingdom and Europe. The staff, the Agent General, and senior representatives from the departments of Economic Development and Trade, Tourism, and Federal and Intergovernmental Affairs maintain close relations with the Canadian High Commission in London and embassies in Europe, other Canadian provincial offices, the British and European business community, and European government officials.

Monitoring of the capital markets in the United Kingdom and Europe continued to be a high priority in promoting a positive investment attitude towards Alberta, particularly in light of the world financial crisis of October 1987. Ongoing liaison with organizations such as the European Economic Community (EEC), the General Agreement on Tariffs and Trade (GATT), and the Oil Producing Export Countries (OPEC) helped to advise on issues of trade policy and developments in the energy sector.

Alberta House was active in assisting many Alberta companies expand their exports to include the United Kingdom and Europe. For example, following the Offshore Europe 87 oil and gas show held in Aberdeen, assistance was given to Alberta companies in hosting a seminar attended by over 100 U.K. oil-and gas related companies. Both of these events created optimism on the part of the Alberta companies in terms of doing business in the United Kingdom. Efforts continued to encourage businesses to locate in Alberta. The office staff worked with the Calgary Economic Development Authority to attract U.K. companies in the defence/aerospace industry to Alberta for establishment of manufacturing plants.

The Winter Olympics offered a unique opportunity for tourism promotion. A successful reception for more than 300 was held in Alberta House to coincide with the opening ceremonies held in Calgary. Interest in Alberta increased as a result of the Games, and the Alberta office maintained the momentum by participating in many promotional functions, seminars, and presentations, particularly in conjunction with the Canada West Consortium.

During 1987-88, ongoing cultural and educational support was offered. Various art exhibitions held at Alberta House provided exposure in Europe for Alberta artists. Similarly, assistance to help them gain recognition in the U.K. and Europe was provided to individual performing artists. To help promote Alberta literary artists, a permanent display of works by Alberta authors was established in Alberta House.

To ensure an enhanced foreign awareness and understanding of Alberta and the western Canadian perspective of Canadian affairs, Alberta House continued to play an active role in the Foundation for Canadian Studies in the United Kingdom, and the Agent General visited major centers of study when possible.

Tokyo Office

Alberta House in Tokyo was established in 1970 and is responsible for representing Alberta's interests in Japan and Korea. With a staff of eleven, this busy office was involved in a wide variety of activities in 1987-88. Trade and investment promotion, educational and sports exchanges, tourism promotion, and numerous exchanges between Alberta and its sister provinces of Hokkaido and Kangwon were the main areas of activity during the year.

A three-year campaign to promote Alberta beef in Japan was initiated in cooperation with Alberta Agriculture. Sales of high quality beef reached approximately 400 tonnes during the year. More than twenty missions to Alberta were organized to introduce potential buyers to our unique products. Alberta beef promotions were held in over fifty retail stores and in twelve restaurants. Due to the tightly controlled import system in Japan, progress in the market is slow. However, these promotions have created a distinct market identity, and it is anticipated that substantial sales increases will be achieved by the third year.

A major department store chain featured Alberta extensively in its annual Canadian food fair, and co-ordination of this promotion was handled through the Tokyo Office. Other projects in support of agriculture also received a great deal of attention, including the unique staff exchange agreement between Seiyu stores and Alberta Agriculture. New chain stores were brought into the Alberta promotions this year in an ongoing effort to expand Alberta's share of the Japanese food market.

The office also co-ordinated and arranged for the trade and investment promotion mission, which involved an October visit to Japan by four Alberta ministers. Since this mission received much attention among Japanese businessmen, it helped to promote Alberta as a good location to do business. Results of the mission were positive, with greatly increased interest in the forestry sector in particular. Investment queries also increased substantially since the mission.

The Winter Olympics helped focus Japan's attention on Alberta. A co-ordinated three-year campaign to help familiarize the Japanese media with Alberta culminated in excellent coverage. TV and news media articles addressed many aspects of Alberta and included favorable coverage of Wood Buffalo National Park, the Tyrell Museum, West Edmonton Mall, and agricultural products.

The Tokyo office assisted with the establishment of the joint venture Synphar laboratory in Edmonton, the formation of the Japanese school at Spruce Grove, the Daishowa pulp mill investment decision, and the Bridgestone Tire investment in Edmonton, as well as with the ongoing interest in energy investments. Much of this assistance involved providing information of a technical and regulatory nature in support of the efforts of the private sector and Alberta government departments.

The office assisted the private sector, particularly in agriculture, with initiating new business ventures in Korea. Sales of a wide range of products resulted. During the year, Korea moved up to become Alberta's fourth largest export market, with purchases including coal, petrochemicals, sulphur, animal feedstuffs, and forage seeds. A major activity was the Alberta Days promotion held in Seoul March 14 - 19 in conjunction with the Canadian Embassy's Canada Days. This event featured the promotion of Alberta products, tourism, a Canadian food festival, technical seminars, and the unique twinning of the Calgary Tower and the Seoul Tower, an event telecast live via satellite in Korea.

The Canadian Studies program at Yonsei University in Seoul continued to develop and was highlighted by the first Canada-Korea Conference held in Edmonton in November. Educational exchanges between Alberta's institutions and those in both Japan and Korea continued to expand, and formal exchange agreements between universities were co-ordinated by the office. Several groups visited the province to study English, and since growing numbers of Japanese students wish to attend school in Canada, the office provided information to help them in this regard.

Exchanges between the sister provinces continued to be varied and effective. A major economic mission from Hokkaido visited Alberta to study business opportunities. Follow-up to this mission showed several deals in various stages of finalization. Other exchanges involved sports, education, tourism, and technology. The office assisted in overcoming language barriers, which may have inhibited exchange programs.

In February, Alberta Tourism hired a full-time Japanese expert for the office to devote further efforts to expanding the lucrative tourist market. With more and more Japanese travelling abroad, and with the strong value of the yen, tourism opportunities for Alberta were many.

Hong Kong Office

The Hong Kong office was established in 1980 to represent Alberta's interests in China, the ASEAN countries, Australia, New Zealand, and Hong Kong. Being an extremely active growth area, this region provided an exceptionally busy year for the office as it pursued Alberta's interests, especially in agriculture, oil and gas, telecommunications, and business immigration.

People's Republic of China

The People's Republic of China continued to be the largest and most productive market in the region for Alberta. Alberta's expertise in agriculture and oil and gas was very much in demand by the Chinese. In May of 1987, the office participated in the Heavy Oil Mission sponsored by the Ministry of Petroleum in Chengdu, Sichuan Province, and attended by six Alberta companies. Since the Sichuan Province gasfield was included in the Seventh Five-Year Economic Plan, it will be a focus area for the exploration and development of the natural gas industry and a recipient of Alberta's well known expertise in this area.

The office assisted in selling a used cement plant in Alberta to Guangdong Province. The office also participated in a first for Canada and Alberta when a successful food promotion, jointly sponsored by the governments of Alberta and Canada, was held in the White Swan Hotel in Guangzhou. Alberta beef was the main feature on the menus.

Hong Kong

The office participated in the following seminars and trade shows:

- **Know Canada Seminar,** September 1987, held jointly with the Canada Commission and representatives of other provinces. It resulted in a number of serious enquiries from local and China traders, particularly in the area of pulp and urea.

- **Money 87 Show,** held in the fall of 1987. The office hosted a seminar on investment in Alberta attended by some 150 - 200 people and addressed by the Honourable Rick Orman, Alberta Minister of Career Development and Employment.

- **Inter-Tour Expo '88,** January 28 - 31, 1988. The office acted as co-ordinator between Travel Alberta, Travel B.C., the South East Asia tour operator, and local tour operators in this major travel and tourism show. Through this and other efforts, the office was active in promoting tourism to Alberta.

Perhaps the highlight of the past year was the visit by the four Alberta ministers in the fall of 1987. This visit created excellent exposure for the province and entailed a large number of appointments with leading Hong Kong businessmen and a reception attended by several hundred leading businessmen in Hong Kong.

Together with Alberta Culture, arrangements were completed for the Alberta Spaces and Places exhibition to be shown at the Hong Kong Museum of Arts.

Two spare offices at Alberta House have been used continuously by visiting Alberta businessmen, and space has been provided for a small exhibition area for Alberta products. The space was used for an Indian Arts and Crafts Exhibition, May 17 - 27, which generated sales of some $67,000 (Canadian) from the objects shown. Following this, a small exhibition was held for Mermaid Leather which makes leather from fish skins. It was attended by some thirty representative merchants from Hong Kong. This space will continue to be used for exhibits in the future.

South East Asia

The office continued to be active in attracting business immigration to Alberta, not only from Hong Kong, but also from Malaysia, Brunei, and Singapore.

Office staff attended the Offshore South East Asia Oil Show in Singapore in January 1988, at which fourteen Alberta companies were represented. The office was also active in Indonesia, Malaysia, Thailand, and Australia promoting Alberta products, primarily in agriculture, oil and gas, and telecommunications, as well as high technology, particularly in Australia.

The business climate in this area affords exciting opportunities for Alberta's business community. Albertans are encouraged to make full use of these opportunities and of the Alberta office.

Houston Office

While the Houston office was primarily established to focus on the energy industry in the southwestern United States, its focus began to expand in 1987-88. Activity increased in a number of other sectors such as agriculture, medical biotechnology, electronics, and computer software.

Highlights of the year included visits by two ministers. The Honourable Dr. Neil Webber, Minister of Energy, attended a conference and met a number of industry representatives. He took the opportunity to explain Alberta's energy policy and to receive intelligence on the prospects for investment in the province. The Honourable Shirley Cripps, Associate Minister of Agriculture, also visited Houston. She attended the Houston Livestock Show and addressed the Chamber of Commerce. Both visits helped to raise the profile of Alberta among key energy and investment decision-makers.

The Houston office continued to assist Alberta energy companies in marketing their equipment and technology in the southwestern United States. One of the major marketing venues is the annual Offshore Technology Conference. Participants were guarded in their reaction this year, even though the price of oil recovered to $18.00/bbl from the previous year's price of $12.00/bbl. It was evident from the show that the market was changing for oil and gas equipment. Large scale purchases of exploration equipment were rare; the demand was for electronic measurement, safety equipment, and better transportation equipment. A number of Alberta companies have the equipment and technology to meet the new demands and were successful in their sales efforts, both at the Offshore Technology Conference and throughout the year.

New York Office

The New York office continued its activities in a number of areas in 1987-88. As in other years, it maintained and expanded its contacts in the New York financial community. Such contacts are very valuable in providing intelligence on economic and energy trends, as well as being essential when the province seeks financing on Wall Street.

Other functions included assisting U.S. companies interested in investing in Alberta or procuring Alberta goods and services, and facilitating provincial companies wanting to do business in the northeastern United States. Several representatives of Alberta businesses, including senior representatives of the energy industry, were assisted by the office when they visited New York.

The office also arranged the visits of government ministers and senior officials to New York. Notable in this regard were visits by the Honourable James D. Horsman, Minister of Federal and Intergovernmental Affairs, the Honourable Dr. Neil Webber, Minister of Energy, and the Honourable Dick Johnston, Provincial Treasurer. In addition to meeting with investment houses, the ministers visited corporate headquarters and received extensive briefings on world energy trends.

These initiatives were followed by an investment seminar held in New York, in March 1988, by the Independent Petroleum Association of Canada, with assistance from the Alberta office. This seminar provided representatives of the Alberta oil and gas industry with the opportunity to make presentations to the New York investment community.

Other highlights of this fiscal year included a visit to Alberta by investment analysts from New York, Boston, and Toronto to see Syncrude in October 1987. Arranged by the New York office, the trip allowed these individuals to see the scale of the project and discuss with company officials the project's importance to North American energy supply.

Los Angeles Office

Several trade and investment missions from Alberta were arranged by the Los Angeles office during 1987-88. Many Alberta companies used these opportunities to develop new customers and seek investment from California. Alberta's major export to this market continued to be natural gas, but breakthroughs occurred for Alberta producers of computer software, electronics, food products, furniture, and related wood products.

In addition to these specific marketing initiatives, the Los Angeles office worked closely with the local Canadian consulate in promoting the Canada-U.S. Free Trade Agreement.

The Los Angeles office was also involved in tourism promotion. The Travel Alberta representative organized a number of major marketing efforts in California, including trade shows, mall displays, and ski and golf promotions.

International Affairs

International Visitors to Alberta

During 1987-88, numerous dignitaries and high level delegations visited Alberta to familiarize themselves with trade and investment opportunities and to explore the technological expertise developed in this province. Many of these visitors were from the Pacific Rim. Notable among them were Heilongjiang visitors Madam Wang Jun, Vice Chairman of the People's Congress, Vice Governor Jing Bowen, Vice Governor Wang Lianzheng, and Sun Fengang, Secretary General of the Education Commission. Also, His Excellency Montree Pong Panit, Minister of Commerce for the Kingdom of Thailand, represented his government in opening the Made in Thailand trade show at Northlands Agricom. Foreign ministers from such countries as the U.S.S.R. (including the Russian Republic), Czechoslovakia, Thailand, Venezuela, Costa Rica, and Saudi Arabia also visited Alberta.

Other important visitors included His Majesty King Olaf V of Norway and Their Royal Highnesses The Duke and Duchess of York, who officially opened Head-Smashed-In Buffalo Jump Interpretive Centre in Fort Macleod during their Alberta tour.

Official familiarization tours were arranged for the ambassadors or high commissioners of the United States, the United Kingdom, the Netherlands, Peru, Malawi, the Philippines, Denmark, Egypt, Trinidad and Tobago, Yugoslavia, Switzerland, France, and the German Democratic Republic. Tours were also arranged for Canadian ambassadors or high commissioners accredited to the European Communities, Belgium, China, Korea, Romania, Czechoslovakia, Australia, and the United States.

During February 1988, Calgary was host to the XV Winter Olympic Games, which brought many foreign dignitaries to the province. Premier Getty and the Alberta government participated in receiving these many visitors and, particularly, in hosting various U.S. governors, lieutenant governors, and state representatives. The province also assisted in receiving the mayors of municipalities attending the Winter Cities Mayors' Conference held in Edmonton in February 1988.

TABLE V
Official Visits to Alberta By Purpose
1987 - 1988

Familiarization Tours	
• Foreign Diplomats	27
• Canadian Diplomats	6
• Media	7
Trade and Investment	105
Energy	30
Agriculture	33
Culture and Education	13
Science and Technology	16
Other	8
TOTAL:	**245**

TABLE VI
Tourists to Alberta
1985 - 1987
Top Ten Countries/Regions

Country	1985	1986	1987	1985 - 87	% of Total (1985 - 1987)
United States	867,209	1,362,348	1,046,775	3,276,332	83.67
United Kingdom	48,201	66,224	70,568	184,993	4.72
Japan	47,649	46,672	64,823	159,144	4.06
West Germany	25,070	38,236	34,029	97,335	2.48
Australia	22,213	22,178	26,966	71,357	1.82
Netherlands	7,993	10,206	15,145	33,344	.85
Hong Kong	6,958	11,669	10,537	29,164	.74
Switzerland	6,910	9,539	9,572	26,021	.66
Scandinavia	6,338	6,837	6,540	19,715	.50
New Zealand	3,729	7,179	8,774	19,682	.50
TOTAL:	**1,042,270**	**1,581,088**	**1,293,729**	**3,917,087**	**100**

NOTES:

1. There were also day visitors from the U.S.: 156,791 in 1985, 168,245 in 1986, and 213,136 in 1987, for a three-year total of 538,172.

2. The Scandinavian countries are grouped together. If they were not, France would be the tenth country, with 4,053 in 1985, 4,042 in 1986, and 9,656 in 1987, for a total of 17,751.

TABLE VII
Number of Official International Visits to Alberta

Country	1987/88	1986/87	1985/86	1984/85
Japan	52	37	33	33
People's Republic of China	29	34	38	35
United States of America	24	24	40	35
U.S.S.R.	12	16	12	11
Hong Kong	5	10	8	7
United Kingdom	11	8	10	18
Australia	3	5	10	14
Thailand	7	5	7	7
Federal Republic of Germany	6	5	6	10
Republic of Korea	7	4	9	9
France	3	4	5	9
German Democratic Republic	3	4	4	2
United Arab Emirates	1	4	-	-
Kuwait	2	4	-	-
Hungary	-	3	6	3
India	-	3	5	1
Finland	3	3	5	6
Mexico	2	3	5	3
Colombia	2	3	5	3
Saudi Arabia	3	3	5	-
Costa Rica	3	3	5	-
Netherlands	3	3	2	3
Venezuela	4	3	1	4
Norway	5	3	1	5
Kenya	-	3	-	-
Switzerland	3	2	6	4
Argentina	-	2	4	3
Indonesia	1	2	3	8
Belgium	4	5	3	4
Israel	1	2	2	6
Sweden	1	2	1	3
Yugoslavia	6	2	-	4
Malaysia	-	1	6	8
Singapore	1	1	6	4
Brazil	-	1	3	2
Austria	2	1	3	2
Other	36	40	58	62
	245	**258**	**317**	**328**

International Economic Relations

The Canada-U.S. free trade negotiations continued to be the most important international issue of concern to Alberta in 1987-88. Additionally, attention began to focus on the progress of the Uruguay Round of the multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT). The important role of the provinces in these trade negotiations was again highlighted at the 1987 Western Premiers' Conference, the 1987 Annual Premiers' Conference, and the many First Ministers' meetings on the Canada-U.S. Free Trade Agreement. The most important event of the year was the conclusion of the Canada-U.S. free trade negotiations. The "Elements of the Agreement" were approved on October 3, 1987; the final text was initialed on December 10, 1987; and the actual agreement was signed on January 2, 1988 by Prime Minister Mulroney and President Reagan.

Canada-U.S. Free Trade Agreement

Federal-provincial efforts related to the free trade negotiations were expanded to reflect the accelerated pace as the negotiations neared conclusion. The federal-provincial Continuing Committee on Trade Negotiations, chaired by Canadian Chief Negotiator Ambassador Simon Reisman and involving the trade representatives of each of the provinces, met eight times during the year to discuss the agreement. A total of twenty such CCTN meetings occurred during the entire course of negotiation. However, the most important discussions occurred at meetings of the First Ministers.

The federal government's commitment to the principle of full provincial participation in trade negotiations was reflected in the extensive use of First Ministers' Meetings to discuss the Free Trade Agreement as it was being finalized. Between July and December 1987, before the agreement was signed, Prime Minister Mulroney met with provincial Premiers six times to review the agreement as it was developing and then being concluded. First Ministers met a total of ten times during the entire negotiations. During this time, Alberta's Premier, the Honourable Don R. Getty, forcefully pursued Alberta's objectives, particularly with respect to agriculture (especially access for meat products), energy (to ensure continued secure access for oil and gas), and petrochemicals (removal of remaining high U.S. tariffs on our petrochemical products). Further provincial priorities associated with creating an effective dispute settlement procedure were also pursued. In addition, the Premier and the province pursued the issue of provincial constitutional responsibility for matters under provincial jurisdiction, as these might be affected by the implementation of the Free Trade Agreement. Alberta intervened to ensure that provincial constitutional responsibilities were respected throughout the conduct of the negotiations and with respect to implementation of the agreement.

With the conclusion of negotiations, Alberta's attention shifted to procedures required to implement the agreement in Canada, including consultations with the federal government on federal implementation legislation and provincial implementation responsibilities.

Multilateral Trade Negotiations

The Uruguay Round of Multilateral Trade Negotiations, launched in September 1986 in Punta del Este, Uruguay progressed throughout the year. The pace of the negotiations at this stage was relatively slow, as a negotiating structure for both goods and services had to be established first. Negotiations related to goods were broken down into fourteen negotiating groups, with a special group on services. National delegations prepared proposals for negotiation during the year.

Although provincial efforts focused on the free trade negotiations, the Continuing Committee on Trade Negotiations also briefed provinces and solicited their views on multilateral trade negotiation issues. The Uruguay Round agricultural negotiations were particularly important to Alberta because the major issue confronting Alberta and Canadian farmers, the U.S. subsidy wars with the European Community, could not be resolved through the Free Trade Agreement. Instead, it would have to be addressed in the multilateral negotiations.

Canada tabled its agricultural negotiating proposals for the Uruguay Round in October 1987 in Geneva. Alberta supported federal government efforts to eliminate trade distorting policy measures and export subsidies, and to bring a measure of discipline to domestic agricultural policy measures which have a trade-distorting effect.

Agricultural Trade Policy

Although Alberta pursued its objectives for the agricultural sector in both the Canada-U.S. negotiations and the multilateral trade negotiations, the province also promoted its interests in other ways.

The federal-provincial Agricultural Trade Policy Committee met throughout the year and provided another vehicle for Alberta to pursue agricultural concerns. Under the sponsorship of this committee, a study of provincial and state level agricultural subsidy and support programs in the United States and Canada was concluded. This information, along with evaluations of national-level

support of subsidy programs, was provided to the Federal Trade Negotiations Office to assist them in their negotiations with the United States.

The Provinces-States Agricultural Accord, established in 1986, met throughout the course of the year and involved meetings between representatives of the ten provincial agricultural departments and representatives of the United States National Association of State Departments of Agriculture (NASDA). Discussions among both the working groups and the formal Accord meetings provided an opportunity to resolve trade irritants and to share information to facilitate Canada-U.S. cooperation in agricultural issues.

International Energy Developments

Alberta continued its close contacts and involvement with the International Energy Agency and monitored OPEC developments. Alberta representatives attended a major meeting between OPEC and non-OPEC energy producers to be fully informed of international energy trends. Provincial involvement in International Energy Agency research activity was secured with a representative of the Alberta Research Council acting as the Canadian participant in a research project related to coal.

Provincial Involvement in International Meetings

Alberta continued its activities to secure provincial participation in Canadian delegations at international consultations and negotiations, especially where these discussions included issues of direct importance to the province. Provincial involvement continued through the International Energy Agency, the Canada-Japan Joint Economic Committee, various Canada-U.S. mechanisms, and the Canada-U.S.S.R. Mixed Economic Commission.

A trade complaint related to the treatment of European wines and spirits by provincial liquor boards involved direct provincial participation in Canadian negotiations with representatives of the European Communities. Long an irritant in Canada-EC relations, provincial liquor board practices were finally the subject of an investigation by a panel struck under the dispute settlement procedures of the General Agreement on Tariffs and Trade (GATT). As a result of the discriminatory treatment of European products, the panel found that Canada was not fulfilling its obligations with respect to the GATT. Attention was focused primarily on practices of Ontario, Quebec, and British Columbia. Alberta's practices were found generally to conform with acceptable procedures, although some minor administrative issues were identified as being potentially discriminatory. The Alberta government will be pursuing with the federal government the resolution of this complaint.

Alberta Management of Trade Negotiations

The Alberta Ministerial Task Force on International Trade Negotiations, chaired by the Minister of Federal and Intergovernmental Affairs, continued to provide the on-going direction for the negotiations. The Task Force, which also includes the Minister of Economic Development and Trade, the Minister of Agriculture, and the Provincial Treasurer, established Alberta's priorities and objectives and pursued them with federal counterparts. Through the course of negotiations, the Minister of Federal and Intergovernmental Affairs forwarded a series of letters outlining Alberta's positions on each of the major issues and following up on each of the First Ministers' meetings to reinforce the priority points which the Premier had raised.

Federal and Intergovernmental Affairs continued to be responsible for co-ordinating the preparations for all First Ministers' meetings on trade negotiations and providing reports and follow-up. The Alberta Trade Representative and Federal and Intergovernmental Affairs represented Alberta at all meetings of the Continuing Committee on Trade Negotiations, with additional representation, as the issues required, from the departments of Agriculture, Economic Development and Trade, Energy, and the Attorney General.

International Cultural, Scientific, and Educational Activities

International cultural, scientific, and educational activities are important components of the development of Alberta's closer relations with foreign countries. As Albertans are becoming more active in the international marketplace, these activities help to meet their demand for a greater understanding and knowledge of countries and people abroad. They also serve to expose the expertise developed in Alberta to the international milieu.

Through direct interaction, new ideas are formulated and opportunities for increased cooperation develop. This is particularly demonstrated by the important part the cultural, educational, and sports exchanges play in Alberta's relationship with the sister provinces in Asia.

On behalf of various Alberta interests, Alberta government representatives participated in Canadian delegations to a number of cultural commissions with key countries and also in Canada's delegations to various multilateral educational and cultural meetings. The province was also represented on the federal-provincial consultative joint committee on education-related international activities.

Education

In 1987-88, Alberta continued to support an international focus in a variety of educational projects. The Department of Federal and Intergovernmental Affairs provided ongoing funding for Canadian studies at universities and other institutions outside the country and also assisted with selected new projects in various regions. This support was provided to develop a better knowledge and understanding of Canada, particularly western Canada and Alberta, among foreign leadership groups. In the past year, the following groups in the United States received grants: the Association for Canadian Studies; the 49th Parallel, an institute for American/Canadian studies; the Pacific Northwest Consortium, Seattle; and the Western Social Sciences Association. As well, an award is granted annually for an essay contest held at the Canadian Institute of International Affairs in New York City.

In the United Kingdom, grants were awarded to the Foundation for Canadian Studies and the British Association for Canadian Studies. In Asia, Yonsei University received additional funds in support of their growing Canadian Studies program, as did the University of Hong Kong. As well, financial assistance was given in support of the exchange between the University of Alberta and Lviv University, Ukraine, U.S.S.R.

The Government of Alberta also offered a number of scholarships to students abroad for study at a graduate level at Alberta universities. Under the auspices of the Department of Advanced Education, many of these scholarships were offered to Asian students, particularly to those in Alberta's sister provinces of Heilongjiang, China; Hokkaido, Japan; and Kangwon, Korea; as well as to the University of Yonsei in Seoul.

Scholarships were also awarded to students from Europe, specifically the United Kingdom, Ireland, France, Belgium, and the Federal Republic of Germany. In 1987 the Department of Advanced Education also provided additional scholarships to students in Heilongjiang, China for study at Alberta's colleges or technical institutions.

Also, in support of Alberta's continuing efforts to strengthen ties with Asia and to provide Albertans with a better working knowledge and understanding of Asian cultures, the Department of Advanced Education provided for a student and faculty exchange program between the four Alberta universities and the universities in the Asian sister provinces. This program is administered through the Universities Co-ordinating Council.

Through various activities administered by Alberta Education and the Department of Advanced Education, this government supported the exchange of teachers and students in a variety of international programs. In 1987-88, the government of Alberta also offered ten scholarships to senior business representatives from foreign countries to attend a six-week course at the Banff School of Advanced Management. These scholarships were funded by the Department of Economic Development and Trade, and the recipients in 1987-88 were from the Asian countries of Malaysia, Japan, Korea, the Philippines, and Thailand, and the Middle East countries of Oman, Saudi Arabia, and Sudan.

Culture

In conjunction with the 1988 Winter Olympics in Calgary, the government of Alberta, through Alberta Culture, sponsored the 1988 Winter Olympics Arts Festival, which featured artists and companies from around the world. Assistance was provided to the Japanese government which, during the same time period and coinciding with Winter Cities Showcase '88 held in Edmonton February 15 - 18, 1988, sponsored a festival of Japanese performing artists, A Celebration of Japan.

Alberta Culture and the cultural foundations in Alberta continued to offer their support to a wide variety of international exchanges in the performing, visual, and literary arts, as well as a major historical resources project in palaeontology, The Canada-China Dinosaur Project. This project will bring the results of pioneering scientific exploration on dinosaurs to a large, international public audience through various means over the next seven years. During 1987-88, Alberta also hosted an exhibition of art from the Province of Heilongjiang, People's Republic of China, November 1 - 15, 1987, at the Provincial Museum.

Science

In the area of international scientific exchange, emphasis was placed on cooperation in cold weather technology and the natural resource sector. Coal liquefaction, coal transportation, heavy oil and oil sands technology, and enhanced oil recovery were of particular importance. China and the Federal Republic of Germany are two countries with which significant cooperative activities were initiated.

Technical Cooperation - Oil Sands

The year also saw continued activity by the Alberta Oil Sands Technology and Research Authority (AOSTRA) in the international sphere. Existing cooperative agreements for the development and exchange of technology in the fields of oil sands, heavy oil, and enhanced oil recovery were pursued. These efforts helped to solve common technological problems, reduce costs through joint efforts, and expand the available pool of expertise. They also assisted in the marketing of Alberta petroleum-related technology. AOSTRA also provided analysis and testing services for countries which have hydrocarbon deposits similar to those in Alberta. Countries with which AOSTRA has cooperative agreements include the following:

- South America: Argentina, Peru, Venezuela, Brazil
- Asia: China, Japan
- Europe: Hungary, Romania, Czechoslovakia, Turkey
- United States
- Union of Soviet Socialist Republics

International Assistance

During 1987-88, the Alberta International Development Agency (AID) continued its program of supplementing funds raised in the province by non-governmental organizations involved in a variety of international assistance projects in developing countries. Total funding by the Government of Alberta in 1987-88 amounted to $3.5 million, which was used to assist more than 250 projects in over fifty countries. Types of projects supported throughout the developing world included health and medical services, agricultural and small industry development, vocational training, literacy campaigns, water provision, refugee assistance, and community development.

Table VIII
Agency for International Development

Alberta contributions in 1987 - 88
(Values in $'000s)

India	391,140
Ethiopia	264,173
Bangladesh	223,382
Nicaragua	191,611
Kenya	176,561
Peru	164,861
Tanzania	157,944
Honduras	145,075
Zaire	116,720
Philippines	108,866
Nepal	108,620
Haiti	103,750
Other	1,286,325
TOTAL	**3,439,028**

Relations with Foreign Countries

The central focus of Alberta's international relations is the United States, which accounts for about three quarters of the province's exports, investments, and tourists.

Besides this primary emphasis on Canada-U.S. relations, the activities of the government as a whole, as well as the division, continued to focus on Asia, reflecting the worldwide shift of economic activity to the dynamic economies of the Pacific Rim. This shift was reflected in Alberta's trade with the Asia/Pacific region, which represented 56% of non-U.S. exports in 1987, versus 11% for Europe and 6% for the U.S.S.R.

Accounting for about a quarter of direct foreign investment reviewed by Investment Canada, Europe continued to be the most important non-U.S. source of investment in 1987. European tourists were also the most numerous after American visitors.

Table IX provides an overview of Alberta's exports in 1987.

The United States of America

Free Trade Negotiations

The free trade negotiations continued to be the dominant focus of Alberta's relations with the United States in 1987-88. Federal and Intergovernmental Affairs followed the progress of the negotiations in Washington very closely. A departmental representative held meetings in Washington in July and reported on what the process for ratification of any eventual agreement might be. It was learned that Senator Lloyd Bentsen (D. Texas), Chairman of the Senate Finance Committee, was personally committed to the agreement but that it would be difficult to get members to concentrate on the details of the negotiations because passage of an omnibus trade bill was a higher priority than a free trade agreement with Canada. Nevertheless, it was clear from this visit that Congress would be very demanding and would expect to be closely consulted by the Administration. This trip revealed some of the issues that might become problems later in the negotiations.

This background proved to be valuable as the year progressed and the negotiations encountered difficulties, breaking down completely for several days at the end of September. A number of issues were not resolved until the final days, and when agreement was finally reached, the question of what would be acceptable to Congress became very important. However, since members of Congress were preoccupied with other matters, and since they claimed not to have been properly consulted by the Administration, it was difficult to predict how acceptable the agreement would be to Congress.

Besides meetings in Washington and information gleaned through a variety of regular sources, Federal and Intergovernmental Affairs was assisted in its analysis of events by visits to the province by the U.S. Ambassador to Canada, Thomas Niles, in September; Canada's Ambassador to the United States, Allan Gotlieb; and Deputy Assistant Secretary for Canadian Affairs in the State Department, Fred Jones Hall. Ambassador Gotlieb visited in November and briefed members of Cabinet on the progress of the negotiations and the prospects for ultimate acceptance of the agreement by Congress. Mr. Hall came to the province in December and, as the senior official in the State Department responsible for Canada, was able to provide further insight from a United States perspective. During all these visits, Mr. Horsman expressed Alberta's views on what issues were most important in the negotiations.

As in previous years, Mr. Horsman travelled to the United States to promote the Free Trade Agreement. In November he visited the west coast, including Seattle, Portland, Sacramento, and Los Angeles. On that trip he met with editorial boards and other media representatives, the Governor of Washington, and the directors of the World Affairs Council of Riverside, California. He also addressed the World Affairs Council of Portland, as well as the Canadian Studies faculties at the University of California, Los Angeles and Berkeley, and at Pomona College. As a result of this trip, a member of the California legislature decided to introduce a resolution in the state assembly calling for the legislature to support the Free Trade Agreement.

TABLE IX
Alberta Exports To Top Twenty-Five Countries in 1987

(Values in $'000s)

	Country	1982-86 Average	1987
1.	United States	8,766,147	8,612,570
2.	Japan	730,452	746,611
3.	China, People's Republic	222,380	302,334
4.	South Korea	122,956	293,031
5.	U.S.S.R.	453,140	193,337
6.	Morocco	59,196	180,546
7.	Taiwan	80,748	167,747
8.	Brazil	136,530	122,797
9.	Mexico	21,272	102,256
10.	Australia	56,698	85,551
11.	Netherlands	81,770	81,370
12.	Saudi Arabia	12,734	67,721
13.	Indonesia	40,777	66,459
14.	Tunisia	46,736	58,549
15.	United Kingdom	70,967	55,362
16.	Hong Kong	16,242	52,990
17.	Belgium - Luxembourg	52,703	51,159
18.	Cuba	43,367	46,749
19.	Italy	44,283	40,750
20.	India	65,872	37,387
21.	Israel	17,333	36,346
22.	South Africa	45,678	*32,710
23.	Iran	10,656	31,560
24.	France	52,528	29,532
25.	Iraq	21,937	27,407
	Other Countries	468,640	451,122
	TOTAL	**11,741,742**	**11,973,953**

Source: 1982-86 average based on Alberta International Trade 1986, Economic Development and Trade; 1987 Statistics based on Statistics Canada, Catalogue 65-003.

* Includes exports to Botswana, Lesotho, Namibia and Swaziland.

Mr. Horsman also visited Washington, D.C. in December to promote the agreement and to ensure that Alberta's views were well known to the Canadian Embassy and to the United States. He met with several members of Congress and congressional staff, along with representatives of the private sector interested in free trade.

Other Trade Issues

While attention was focused primarily on the free trade negotiations, Federal and Intergovernmental Affairs monitored and reported on other trade issues such as the omnibus trade bill and the "as-billed" issue for gas pipelines. Congress seemed determined to pass a huge trade bill and worked for many months fashioning legislation containing a number of very protectionist measures. While some provisions, such as the granting of multilateral trade negotiations authority to the Administration, were welcomed, there were many other components of considerable concern to Alberta. These included language expanding the definition of countervailable subsidy, greatly expanded powers to retaliate against perceived unfair trading practices, and reduced presidential discretion in the use of trade remedies. Fortunately for Alberta, the bill was so controversial in Congress that it was not passed.

The "as-billed" decision on natural gas sales continued to be an irritant in bilateral relations. Originally proposed in December 1986, the final decision was made by the U.S. Federal Energy Regulatory Commission in May 1987 not to allow the costs associated with certain Canadian billing practices to be passed along to U.S. customers. The Alberta government viewed this decision as discriminatory against Canadian producers and an infringement on Canada's sovereignty and expressed these views to the governments of Canada and the U.S. The province's arguments against the decision were relayed to the U.S. by federal Energy Minister Marcel Masse as part of a forceful lobby to persuade President Reagan to intervene with the Federal Energy Regulatory Commission. The lobby was not successful, and the May decision was allowed to stand.

Overall, Alberta's exports to the United States in 1987 totalled nearly $8.6 billion, which represented approximately 73 percent of provincial exports. This trade amounted to a 12 percent increase over the previous year, due primarily to an increase in the price of crude petroleum (42 percent) and gas (27 percent).

Provincial-State Relations

The promotion of closer relations between Alberta and U.S. states continued to be a priority for the department. The Montana-Alberta Boundary Advisory Committee met in Great Falls, Montana in February 1987. This was the third meeting of this group, chaired by Mr. Horsman and Montana Lieutenant Governor George Turman, and composed of legislators and senior officials from both sides of the border. One full day of the meeting was devoted to a public hearing on the Free Trade Agreement. Representatives from various sectors from both sides of the border were invited to testify before interested Montana citizens as to what the implications of the agreement will be. The Alberta delegation was accompanied by a number of provincial business people who participated in the hearing and provided a Canadian perspective. The second day of the Montana meeting included discussions of the Milk River dam proposal and joint tourism promotion.

Two meetings of the Canada - United States Legislative Project were also held in 1987 - 88. Under the chairmanship of Mr. Horsman, legislators from a number of states and provinces met in Vancouver in July 1987 and in New Orleans in January 1988 to discuss the Free Trade Agreement. This group meets twice a year to discuss issues of mutual interest and to provide a forum for legislators to learn about the system of the other country. Alberta's objective was to use this forum to raise the profile of the Free Trade Agreement among state legislators and to enlist their support for it.

Olympics

As part of the promotion of Alberta's interests in the United States, Mr. Horsman hosted a number of American dignitaries at the Olympics in Calgary in February 1988. These included governors Norman Bangerter of Utah, Ted Schwinden of Montana, and Rudy Perpich of Minnesota; White House Deputy Chief of Staff Kenneth Duberstein; Connecticut House Speaker Irv Stolberg; and Montana Lieutenant Governor George Turman.

Asia-Pacific Region

Having surpassed Europe as the second most important trading region for Alberta a number of years ago, the Asia-Pacific region continued as a substantial and growing market. The region contains almost half of the world's population, and countries in the area have maintained economic growth rates of four to seven percent for over a decade now. Five of the top ten destinations for Alberta products lie in the Asia-Pacific region. Individually, Japan, China, and South Korea ranked second, third, and fourth, respectively, as countries of destination for Alberta products in 1987. The value of 1987 exports to the Asia-Pacific region was estimated at $1.89 billion, an increase of 29 percent from the previous year (these statistics do not include "invisibles" such as service contracts, which constitute a sizeable element of the commercial relationship between Alberta and the Asia Pacific). The Asia-Pacific region accounted for 16 percent of Alberta's total exports in 1987, and more than half of all non-U.S. exports.

In recognition of the potential of the Asia-Pacific region, Alberta continued its efforts to expand overall relations with countries of this region. This was facilitated by the Alberta presence maintained through offices in Japan and Hong Kong; by an increasingly active Canadian Studies program at universities in the region; by frequent trade, investment, and other missions from Alberta to Asia; by Alberta's trade shows, promotions, and exhibitions; and by the large number of visits from Asia encouraged and received by Alberta.

The major focus of activities in Asia has been on Alberta's three largest Asian trade partners: Japan, China, and Korea. There also has been a growing interest in further developing other Asian markets in South and Southeast Asia, especially in India, Thailand, Malaysia, and Indonesia. The value of Alberta's 1987 exports to the ASEAN nations was $144.1 million, an overall increase of 77 percent over 1986 exports.

A major Alberta trade mission to the Asia-Pacific region, during Canada's Export Trade Month of October, was announced by the Premier on September 14, 1987. It comprised the Alberta Ministers of Economic Development and Trade; Forestry, Lands and Wildlife; Agriculture; and Career Development and Employment. This was the first time a Canadian province had organized a multi-sector trade and investment promotion mission of this magnitude.

In an effort to expand Alberta's overall links with Asia, the province's four universities were especially active this year in developing formal cooperative programs with entities in China (Xian, Guangzhou, Nanjing, Beijing, Chengdu, Daqing, Harbin), Nepal, Malaysia, Sri Lanka, Burma, Singapore, Indonesia, Thailand, India, Bangladesh, Korea, Hong Kong, and Japan. This department worked closely with the universities in facilitating some of these activities, and with various community colleges and vocational institutes in initiating similar programs.

Japan

In 1987 Japan imported goods from Alberta worth a total of $703 million. This amount represented an increase of 4.9% over 1986. Principal exports in 1987 were coal, canola, wheat, petrochemicals, and barley. The Alberta ministerial trade mission during October 1987 included beef promotions in Tokyo and Osaka attended by Japan's major meat importers. In Tokyo, an investment seminar held in the Keidanren Hall included participation by the Alberta ministers of Economic Development and Trade, and Forestry, Lands and Wildlife. Japanese executives were provided with information and opportunities in Alberta's petrochemical, food processing, advanced technology, forest products, and resource industries.

Korea

The Republic of Korea continued to be a rapidly growing export market for Alberta. The value of Alberta's 1987 exports to Korea was $293 million, an overall increase of 45 percent over 1986 sales due to an increase in sales of coal and wheat. Other principal exports were petrochemicals and sulphur.

An Alberta promotion was held in Seoul in March 1988 in conjunction with the Canada Days promotions sponsored by the Canadian Embassy in Seoul. This Alberta Days promotion involved awareness of Alberta created by the Winter Olympics in Calgary. Alberta firms were successful in creating immediate trade opportunities, and there were numerous enquiries for a variety of Alberta products.

Alberta's thriving Canadian Studies program with Yonsei University continued to develop and included a Canada - Korea Conference held in Seoul in conjunction with the Alberta Days Promotion.

China

China purchased Alberta products valued at $302.3 million in 1987. This amount represented an increase of 114 percent from 1986, due primarily to an increase in the volume of wheat and petrochemical exports. A major Alberta trade mission to Asia in October 1987, as part of Export Month, included participation by the Alberta Minister of Economic Development and Trade in the Canada-China Heavy Oil and Drilling Symposium in Beijing. Leaders from China's Ministry of Petroleum in Beijing and from all of the major oilfield administrations heard from more than thirty Alberta organizations and companies about the technology being used to develop Alberta's oil and gas resources. The Alberta Minister of Forestry, Lands and Wildlife led a mission to the Daqing oilfield in Heilongjiang for contract discussions with the Daqing petroleum administration.

Alberta's Sister Province Relationships

Alberta is actively involved in well-established sister province relationships (twinnings) with the northern provinces of Heilongjiang (China), Hokkaido (Japan), and Kangwon (Korea). These affiliations are based on the numerous similarities among the provinces, especially in climate and resources. They have provided valuable opportunities over the past ten years for raising Alberta's profile in the increasingly important Asia-Pacific region. In 1987 there were more than 150 (90 incoming, 60 outgoing) exchange visits. Exchanges occurred between twinned municipalities and in the areas of commercial activity, forestry, technology, science, agriculture, and medicine, as well as education, sports, culture, and advanced education.

The formal affiliation with Hokkaido and Heilongjiang in 1986 and the subsequent first Trilateral Consultations between Alberta, Hokkaido, and Heilongjiang provided the opportunity in 1987-88 to begin three-way cooperation in a number of areas. Alberta accepted Heilongjiang and Hokkaido's invitation to become a co-sponsor of the International Symposium on Cold Regions Development to be held in Harbin, Heilongjiang in August 1988.

Six Alberta municipalities continued their involvement in a variety of exchange programs with their twin counterparts in the sister provinces:

Edmonton and Harbin, Heilongjiang
Calgary and Daqing, Heilongjiang
Stony Plain and Shika-Oi, Hokkaido
Lacombe and Rikubetsu, Hokkaido
Rocky Mountain House and Kamikawa, Hokkaido
Camrose and Kamifurano, Hokkaido

In a related event, 68 representatives of 32 municipalities across Canada and two provinces interested or already involved in formal linkages with Japanese counterparts attended the first Canada-Japan Twinning Exchange Conference in Calgary, March 23 - 24, 1988. The conference, co-hosted by Alberta and the Embassy of Japan in Ottawa, focused on the challenges and the benefits of Canadian-Japanese municipal and provincial affiliations, and was highlighted by the participation of fifteen mayors from across Canada and His Excellency Yoshio Okawa, Ambassador of Japan.

Heilongjiang

The year 1987-88 was marked by a number of commercial successes for Alberta companies dealing with Heilongjiang, as well as inroads into a variety of new market and product areas. Alberta companies continued to build upon breakthrough sales of oil and gas equipment, technology, and services to the larger Chinese market. These had resulted from a solid reputation established during five previous years of operation in Heilongjiang's Daqing Oilfield (which produces over fifty percent of China's output). In addition to sales of conventional oil and gas technology, 1987-88 saw Daqing open negotiations with Alberta firms for slant-hole drilling technology, an oil recovery technique initially developed in Alberta and proven in international oil fields.

Heilongjiang also began to utilize Alberta expertise to solve a wide range of problems in water treatment facilities, refining of high-wax crude oil, and improving of range and pastureland. A four-year joint Heilongjiang-Alberta range improvement project was renewed in 1987 for an additional three-year period. The project involves training exchanges of Alberta and Heilongjiang technicians and uses Alberta technology to upgrade and develop Heilongjiang forage and livestock management practices.

The active science and technology exchange project continued in 1987-88. Ten researchers from Heilongjiang came to Alberta, and eight Albertans travelled to Heilongjiang for long-term joint research in areas such as biotechnology and genetic engineering. New areas of cooperation initiated during 1987-88 included forestry management, land-related information systems (computer technology), and an auditing exchange in which Alberta Government auditing procedures and techniques will assist Heilongjiang in the creation and development of its own system. Discussions were also initiated for a project involving Alberta physicians, and sponsored by the World Health Organization, to establish a model centre in Heilongjiang for the treatment of advanced cancer.

Other successful exchanges occurred in medicine, sports, culture, and advanced education. Four Heilongjiang recipients of Alberta Minister of Advanced Education scholarships continued graduate studies at Alberta universities. As well, three additional teachers of English-as-a-Second-Language were sent to train petrochemical managers in Daqing, bringing the total number of teachers to 28 since the program's inception in 1983.

Important visitors to Alberta during the year included Madame Wang Jun, Vice-Chairman of the People's Congress; Vice-Governor Jing Bowen; Vice-Governor Wang Lianzheng; and Mr. Sun Fenggang, Secretary-General, Heilongjiang Education Commission. Alberta ministerial missions to Heilongjiang included those of the Honourable Peter Elzinga (to Harbin and Qiqihar) and the Honourable LeRoy Fjordbotten (to Daqing).

Hokkaido

Alberta's formal relationship with Hokkaido began its seventh year with a focus on commercial interaction. Following up on their first meeting in September 1986 in Hokkaido, the Hokkaido-Alberta Commercial Exchange Committee met again in Edmonton in September 1987. Nineteen representatives of business and government from Hokkaido were involved in one week of intensive one-to-one contacts with Alberta businesses in Edmonton and Calgary, resulting in new contracts in areas such as forest and housing products and technology, cattle genetics, and winter apparel. Sales of Alberta beef to Hokkaido continued in 1987-88, and a number of successful food promotions were held.

Alberta and Hokkaido continued to exchange physicians and researchers cooperating in specialized fields such as neurophysiology, pharmacology, biochemistry, and immunology. In a related development, a noted authority on skin cancer from the Sapporo Medical College moved to Alberta to establish a skin cancer research and treatment department at the University of Alberta. University of Calgary Faculty of Medicine officials discussed development of medical curriculum with representatives from Sapporo Medical College.

In advanced education, the first Hokkaido recipient of the Alberta Scholarship received a Master's degree in Anthropology from the University of Alberta. As well, fifteen University of Lethbridge students spent time in language study in Hokkaido. Additional exchanges occurred in municipal cooperation, culture, education, and sports. Hokkaido sent a large curling team to observe the 1988 Olympic Winters Games in Calgary and to participate in friendly competition with Alberta teams.

Kangwon

In February 1988, Vice-Governor Kyung-Jin Ahn of Kangwon travelled to Alberta to observe the 1988 Olympic Winter games in Calgary and to sign an Alberta-Kangwon sports exchange agreement. While in Alberta, the Vice-Governor also participated in bilateral consultations on the Kangwon-Alberta special relationship.

Expansion of exchange activity occurred in 1987-88, especially in the areas of education and medicine. With the opening of the new Hallym Medical University in Kangwon, the Universities of Calgary and Alberta Faculties of Medicine initiated a program in which a cardiac surgery and care center will be established at Hallym. Training of Hallym specialists in specialized techniques will take place both in Kangwon and in Alberta universities. In education, eight Alberta graduate students in English-as-a-Second-Language spent three months in Kangwon completing their programs through practical experience with Kangwon educators. Alberta received a group of twenty Kangwon teachers of English for a six-week summer training program.

Additional exchanges occurred in agriculture, forestry, and commerce, during which a Kangwon entrepreneur investigated possibilities for aquaculture development in Alberta.

Europe

The various countries of Europe continued in 1987-88 to serve as major markets for Alberta goods and services. In addition to being an important trading partner, Europe also was a major source of investment capital and technology. Many European companies are involved as partners with Alberta companies in joint ventures within the province, in Europe, and in other markets. As in previous years, agricultural products such as wheat and grass seed were the major export items from Alberta to the European market.

Throughout 1987-88, Alberta received a large number of visitors and important delegations from Europe. In 1987, more than 150,000 Europeans toured Alberta, representing half of all non-U.S. tourist traffic, a significant increase from the previous year. The 1988 Winter Olympic Games, held in Calgary in February, attracted a large number of prominent visitors from Europe, such as the Prime Minister of Yugoslavia, Mr. Mikulic. Other prominent visitors to the province in 1987-88 were Their Royal Highnesses, the Duke and Duchess of York; King Olaf of Norway; and the Minister of Fuel and Power from Czechoslovakia, Mr. Ehrenberger. Several parliamentary groups from Europe also visited Alberta during the past year, including a delegation from Czechoslovakia in September 1987 and a number of parliamentarians from western European countries who attended the Canada-European Parliamentary Association Conference in Alberta during the same month.

Mr. Horsman visited Geneva, Switzerland in January 1988, along with ministers from the provinces of Ontario, Quebec, and Nova Scotia, to discuss provincial interests in the current round of the Multilateral Trade Negotiations being held under the auspices of the General Agreement on Tarrifs and Trade (GATT). Discussions were held with senior representatives of the GATT Secretariat, representatives of various national delegations to the GATT, and members of the Canadian delegation. Mr. Horsman also visited Brussels and held discussions with Mr. Willy De Clerq, External Affairs Commissioner of the European Community (EC), and other senior representatives of the EC. The occasion was used to make known Alberta's views on the European Community's Common Agricultural Policy and the importance, from Alberta's perspective, of agriculture in the current Multilateral Trade Negotiations.

In the fall of 1987, the Honourable Les Young, Minister of Technology, Research and Telecommunications, attended the Telecom '87 trade show in Geneva, Switzerland and met with various high tech companies in Switzerland, the Federal Republic of Germany, and the United Kingdom.

The Provincial Treasurer, the Honourable Dick Johnston, visited the United Kingdom, France, Switzerland, and the Federal Republic of Germany in October 1987 and held discussions on current economic conditions and financial matters with selected financial institutions.

Dr. H.A. Schmid, Alberta's Commissioner General for Trade and Tourism, visited Europe numerous times during 1987-88 to promote trade, investment, and tourism from the Federal Republic of Germany, Yugoslavia, Hungary, and Austria.

In 1987-88, the department continued to co-ordinate Alberta's involvement in bilateral consultations with a number of European countries in the areas of economics, culture, and science and technology. The department also continued to be involved in consultations between Canada and the European Community and continued to report on developments affecting Alberta's bilateral relationships with the EC, particularly the Common Agricultural Policy and its negative impact on the provincial agricultural sector.

Union of Soviet Socialist Republics

The continuation of Mikhail Gorbachev's *glasnost* (openness) and *perestroika* (restructuring) initiatives in the Soviet Union during the reporting period made it incumbent upon Alberta to assess and re-evaluate the long-standing relationship which had been built with the U.S.S.R. New opportunities in the Soviet Union, coupled with the beginnings of radical changes in the Soviet way of doing business, brought the challenge for Alberta to re-think its goals and expectations regarding the U.S.S.R. Like the changes still underway in the Soviet Union, this re-assignment process on Alberta's part was by no means complete by the end of the reporting period.

Alberta continued to be the province most active in pursuing trade and other relations with the Soviet Union, accounting for about one-quarter of Canada-Soviet trade. Alberta exports to the U.S.S.R. dropped substantially, however, to $193 million from $414 million the previous year, due primarily to lower prices for and quantities of wheat and barley shipments, as well as a substantial drop in sales of sulphur. This figure reflected an overall downward trend in Canadian exports to the Soviet Union. Exports totaled $801 million in 1987, compared to $2.1 billion just three years previously, the decrease coming primarily from declining grain sales. This situation reinforced the importance of Alberta's efforts to further diversify and expand its non-grain trade with the Soviet Union.

Along with pursuing trade relations at the national level in the U.S.S.R., as exemplified by the substantial Alberta presence at the Soviet Neflagas '87 oil and gas show, Alberta continued its efforts to expand relations at the sub-national level with constituent republics of the U.S.S.R. In this regard, Alberta Agriculture maintained an ongoing slate of activities with Russia in accordance with the 1985 memorandum of understanding between the agriculture ministries of Alberta and the Russian Soviet Federated Socialist Republic (R.S.F.S.R.). In the same vein, Alberta hosted a delegation from the R.S.F.S.R. Ministry of Local Industry as part of its ongoing efforts to promote two-way trade. Discussions continued between Alberta and the R.S.F.S.R. on means to expand the existing relationship to other economic and non-commercial areas of mutual interest.

Latin America

The Latin American and Caribbean nations continued to be a growing market for Alberta products and services. The province's exports to the region in 1987 amounted to some $378 million, an increase of 21 percent over the previous year. Major markets in the region were Brazil, Mexico, Cuba, Venezuela, Chile, Colombia, and Argentina. Principal exports were wheat, canola, sulphur, and coal.

While the region as a whole comprises a relatively small percentage (three percent) of Alberta's global exports, Brazil and Mexico were Alberta's eighth and ninth largest export markets, respectively. The growing economies of these and other countries in the region, their improved economic stability, and the development of their energy and agricultural industries provide important potential opportunities for Alberta sales of products, equipment, and consulting services in the two sectors mentioned.

Alberta has recently been making special efforts to increase its visibility and expand its links in the region. Alberta's universities and some community colleges have established cooperative programs with institutions in Mexico, Brazil, Chile, Colombia, Bolivia, Argentina, and Jamaica. This department has worked closely with Alberta educational institutions in facilitating some of these programs. Alberta has a livestock cooperation agreement with the Mexican state of Jalisco, and Alberta's Associate Minister of Agriculture, the Honourable Shirley Cripps, visited Mexico in February 1988 to establish cooperation in livestock development.

During this year, the province undertook discussions with the Argentine province of Neuquen to establish cooperation in natural gas development and rangeland management. The department also began to liaise more closely with the growing Latin American and Caribbean communities in the province to encourage their advice and involvement in our relations with the region.

Important visitors from the region to Alberta during the year included the Energy Minister of Venezuela and the Agriculture Minister of Uruguay.

Latin American and Caribbean countries were well-represented at the National Petroleum Show in Calgary in June 1987 and at the Alberta Summer Institute for Petroleum Industry Development (ASIPID) in June-July 1987.

Africa

Alberta's relations with African nations are focused on trade and on training-related activities, often in conjunction with development assistance through the Canadian International Development Agency (CIDA) or other world aid organizations. The province also provides funds for Alberta non-governmental organizations involved in African development and related aid projects. The Government of Alberta monitors and evaluates consulting, investment, agricultural, and trade opportunities through exploratory missions and also receives African delegations interested in the province's products and services. Oil-producing countries in Africa (such as Gabon and Nigeria) continue to hold significant potential for sales of Alberta oil and gas equipment, services, and technology. In addition, agricultural opportunities have been identified and are being pursued in a variety of areas such as dryland farming, technology and services, and animal husbandry.

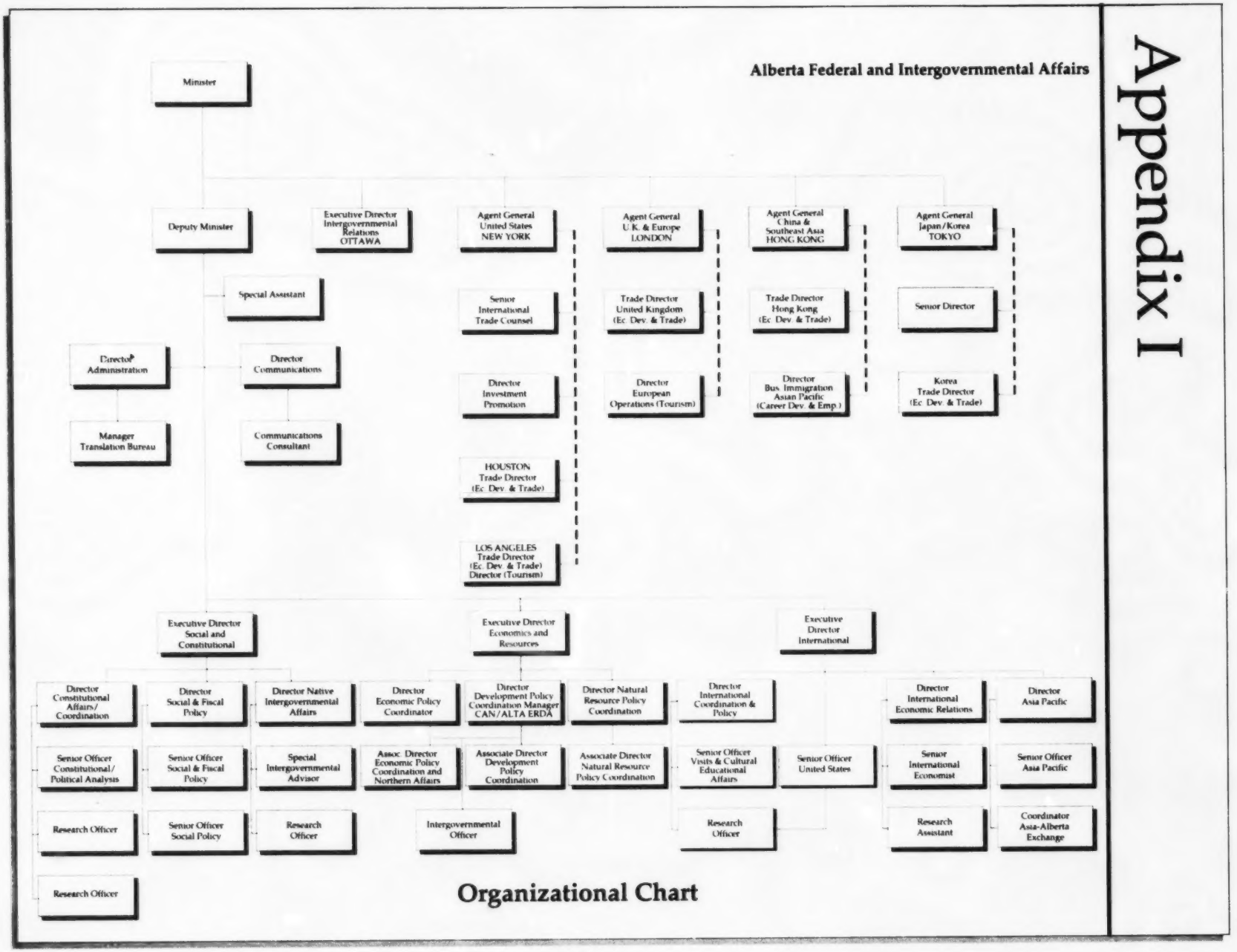
Middle East

The focus of Alberta's attention on the Middle East during this reporting period remained on developments in the region affecting the price of oil. The ongoing war between Iran and Iraq and the cohesiveness and stability of the Organization of Petroleum Exporting Countries (OPEC) were the major variables in this equation.

Direct bilateral relations with countries of the region concentrated on the development and promotion of economic relations. A number of visits and trade missions took place in order to further this objective. The new Canadian Ambassador to Kuwait visited Alberta in July 1987 prior to his posting to that country. His Excellency Hisam Nazer, Saudi Arabian Minister of Petroleum and Resources, came to Alberta in October as a follow-up to the visit of the Honourable Larry Shaben, Minister of Economic Development and Trade, earlier in the year. Trade interests focused on the petroleum industry and its assorted technologies; agriculture; and various service and technology-based industries.

In 1987, the Middle East was the second fastest growing market for Alberta exports. Exports increased by approximately 35 percent over the previous year and reached $463 million. Agricultural products, mainly barley and wheat, accounted for a large portion of the export growth. Sulphur made up the bulk of remaining exports.

Appendix I


Alberta Federal and Intergovernmental Affairs
Minister
Deputy Minister
Executive Director Intergovernmental Relations OTTAWA
Agent General United States NEW YORK
Agent General U.K. & Europe LONDON
Agent General China & Southeast Asia HONG KONG
Agent General Japan/Korea TOKYO
Special Assistant
Senior International Trade Counsel
Trade Director United Kingdom (Ec. Dev. & Trade)
Trade Director Hong Kong (Ec. Dev. & Trade)
Senior Director
Director Administration
Director Communications
Director Investment Promotion
Director European Operations (Tourism)
Director Bus. Immigration Asian Pacific (Career Dev. & Emp.)
Korea Trade Director (Ec. Dev. & Trade)
Manager Translation Bureau
Communications Consultant
HOUSTON Trade Director (Ec. Dev. & Trade)
LOS ANGELES Trade Director (Ec. Dev. & Trade) Director (Tourism)
Executive Director Social and Constitutional
Executive Director Economics and Resources
Executive Director International
Director Constitutional Affairs/ Coordination
Director Social & Fiscal Policy
Director Native Intergovernmental Affairs
Director Economic Policy Coordinator
Director Development Policy Coordination Manager CAN/ALTA ERDA
Director Natural Resource Policy Coordination
Director International Coordination & Policy
Director International Economic Relations
Director Asia Pacific
Senior Officer Constitutional/ Political Analysis
Senior Officer Social & Fiscal Policy
Special Intergovernmental Advisor
Assoc. Director Economic Policy Coordination and Northern Affairs
Associate Director Development Policy Coordination
Associate Director Natural Resource Policy Coordination
Senior Officer Visits & Cultural Educational Affairs
Senior Officer United States
Senior International Economist
Senior Officer Asia Pacific
Research Officer
Senior Officer Social Policy
Research Officer
Intergovernmental Officer
Research Officer
Research Assistant
Coordinator Asia-Alberta Exchange
Research Officer

Organizational Chart

Appendix II

The Twenty-Eighth Annual Premiers' Conference

Saint John, New Brunswick
August 26 - 28, 1987

Communiqué No. 1: Trade

The Premiers affirmed that the principal objective of the trade negotiations with the United States must be a guarantee of secure access to the American market. To this end, any agreement must include a joint and binding mechanism to settle trade disputes.

In this connection, they expressed concern about recent protectionist actions of the United States.

They committed themselves to work together to assist any part of the country, or any particular economic sector harmed by the actions of our trading partners.

The use of all strategic instruments should be considered by the federal and provincial governments in dealing with harassment by other countries of fairly traded Canadian commodities and goods.

Communiqué No. 2: Economy

The ten Premiers of Canada at their 28th Annual Conference in Saint John, New Brunswick, reviewed economic issues of concern. The Premiers noted that Canada's economy was highly dependent on trade, and that unfair export competition, growing international subsidies, and protectionism were having devastating impacts, particularly on the resource and commodity sectors.

The Premiers called for concerted national action to meet developments in the international trade environment.

Agriculture

While seeking long-term solutions through negotiation of bilateral and multilateral agreements, Premiers identified excess world production through subsidies as the root of current world problems of growing grain stocks and low agricultural commodity prices.

The Premiers noted the efforts by the federal government in the international arena to end the grain subsidy wars between the United States and the European Economic Community. They expressed determination to work with the federal government to examine all alternatives to defend our agricultural industry against unfair trading practices. The Premiers were confident that these efforts, along with restructuring farm financing, will eventually lead to a long-term resolution of the agricultural industry's difficulties. However, they reiterated that adequate interim financial assistance is required in order to prevent the entire industry from being put at risk.

The Premiers called upon the federal government to stand behind the agricultural sector until international discipline can be restored by immediately announcing its intention to make a deficiency payment to farmers in the form of a Special Grains Program for the 1987 crop year.

They called on the federal government to announce a payment mechanism and national eligibility criteria that would apply to grains and other commodities, such as potatoes. It was noted that the federal commitment regarding deficiency payments for the 1985 potato crop year remains outstanding.

Regional Development

The Premiers identified the growing economic imbalance in Canada as a problem for national unity. Efforts to date to resolve this problem have been inadequate.

The regional development policy principles endorsed by the February 1985 First Ministers' Conference remain equally valid today. The new Atlantic Canada Opportunities Agency and the Western Diversification Fund are promising initiatives and will be productive as long as they are sensitive to local conditions and add to rather than replace existing regional development commitments.

In addition to these initiatives, the federal government should ensure that national policies are sensitive to regional economic development needs.

The federal government should have an equitable purchasing system and procurement process that permits smaller regional suppliers and small business to access it fairly and freely, and recognizes its importance to regional development.

Premiers will be recommending that the Agenda of the First Ministers' Conference in November include a specific item on regional development. The Premiers will also propose that constitutional provisions for regional development be addressed as part of the Second Round of Constitutional discussions.

High Technology

The Premiers recognized the importance of high technology as a prerequisite for the realization of future economic development opportunities throughout Canada.

The realization of these opportunities will require an ongoing partnership among the private sector, post-secondary institutions and governments. In order to succeed, Canadians must bring together "the best and the brightest" in the country. In this regard, it is important to work towards the elimination of rigidities among academic institutions and among governments.

The Premiers called upon Ministers of Science and Technology to meet as soon as possible and prepare a report for submission to the First Ministers' Conference in Toronto in November.

The report should identify current initiatives and programs that are being undertaken by the federal and provincial governments to support high technology. It should also set out proposals for a national high-tech strategy, based on a more coordinated approach among the federal and provincial governments, and consider ways to double current levels of spending on research and development across Canada.

Energy

Premiers strongly endorsed the recent statement by federal-provincial-territorial Energy Ministers that security of Canada's energy supply is a national problem requiring a national solution.

Premiers reaffirmed the federal-provincial Energy Ministers' recent agreement to ensure that Canadians have fair and equitable access to Canadian energy supplies. In this regard, efforts will be made to reduce institutional and regulatory barriers that may impede interprovincial flow of energy.

Federal and provincial cooperation is required to ensure the development of new energy, and Premiers pledged their support for policies which will act as a catalyst to develop new supplies for both domestic and export purposes.

The decline of conventional light crude oil production will result in a serious domestic oil supply shortfall in the 1990's. Planning must commence now for development of new conventional, heavy oil, off-shore oil and gas, and synthetic supplies to ensure Canada's oil security for the future.

The Premiers also recognized that natural gas should be made available to all areas where reasonably economic.

Energy development activity and projects, aside from their important contribution to energy security, provide a major benefit for the Canadian economy, including jobs, regional development and new technology.

Premiers also recognized the growing importance of Canada's renewable hydro-electric energy resources, and affirmed strong support for development of these secure resources.

Premiers reiterated their commitment from last year's Premiers' Conference that national strategies must ensure equitable federal treatment for the development of renewable and non-renewable energy resources and for those areas of Canada which are not endowed with traditional sources for generating electricity.

Communiqué No. 3: Interprovincial and Federal-Provincial Issues

Under their third general agenda heading, the Premiers reviewed a wide variety of questions relating to federal-provincial fiscal issues, program responsibilities and national priorities.

Recognizing that the present regime of fiscal arrangements is making it increasingly difficult for provinces to adequately discharge their responsibilities to provide vital services, the Premiers asked their Finance Ministers to report, prior to the next First Ministers' Conference, on the present and projected adequacy of financing arrangements, including Equalization and Established Programs Financing. They also asked the Finance Ministers to develop an accounting of the offloading of financial responsibilities from the federal government to the provinces.

The findings of the Finance Ministers are expected to provide current information for an assessment of our capacity to provide the kind of health and educational systems that Canadians need and expect. Premiers are also asking their Ministers of Health, who will be meeting next month in Saint John, to report through them to the November First Ministers' Conference on the most effective new directions in health services.

Concerning education, the Premiers are asking their Ministers responsible for education and for issues relating to the Labour Market to form a working group to provide a process for developing education strategies.

Together with the financing questions, these examinations of our health and educational services are expected to be a major topic for discussion at the next First Ministers' Conference.

In addition, Premiers urged the federal government to come forward, as soon as possible, with its proposals for a national policy relating to the funding of child care.

Social Services such as health, education and child care have a bearing not only on our social well being, but on our economic performance as a nation; and Canadians can not afford to fall behind other developed nations in an increasingly competitive international environment.

Appendix III

Western Premiers' Conference

Humboldt, Saskatchewan
May 25 - 27, 1987

Communiqué No. 1: Agriculture

Deficiency Payment, World Agriculture and Trading Policies

Western agriculture is the backbone of the western Canadian economy, with national and regional benefits in terms of jobs, income and investment.

At the meeting of Western Premiers at Humboldt, Saskatchewan, the Premiers recognized that the issues of excessive world export and production subsidies lie at the root of current world problems of growing grain stocks and low prices. The Premiers were encouraged by the real progress being made by Canada at the international level and urged the federal government to press on to achieve an international resolution of the problems. The discussions at Tokyo, Cairns, Paris, San Diego, Punta del Este and, most recently, Ottawa have finally raised the international subsidy issues in appropriate forums.

However, the continuing and excessive subsidies by export competing countries have built surplus world grain and oilseed stocks and have depressed prices to their lowest levels since the Depression. Conditions have deteriorated substantially from last year with even lower prices and surplus grain stocks that are now equivalent to two years of world trade.

These current circumstances and the complexities of the GATT process require an increased level of domestic farm income support until progress in the international policy arena is reflected in price and income improvements for farmers. The Premiers therefore called on the Government of Canada to make an early announcement in 1987 for an increased and substantial deficiency payment, due to the continuing decline in prices and incomes.

Premiers called for the method of the federal deficiency payment to fairly recognize provincial and regional differences and to cap individual payments at equitable levels.

The Premiers also called on the Government of Canada and other world grain producers and exporters to adopt a "fast track" to negotiate an end to subsidies and a reduction to world stocks.

Western Premiers also requested a more proactive and humane approach towards world food aid and agriculture. The excessive world food surpluses and growing numbers of hungry people are an unacceptable situation. The Premiers called upon Canada and other countries to direct their aid programs to move these surpluses to those most severely in need. The Western Premiers offered to work with the Government of Canada to develop programs in the aid area.

Finally, the Premiers reiterated their interest in seeing the subsidized distortions removed from the world agricultural trade and production in both the developed and developing worlds. The Western Premiers noted that Canada's income stabilization programs, and particularly the Western Grains Stabilization Act, could be a model for other grain trading countries, and suggested the federal government encourage adoption of the concept in international discussions for the reduction and ultimate removal of agricultural subsidies.

Communiqué No. 2: General Agriculture Issues

The Western Premiers, meeting in Humboldt, Saskatchewan, addressed a number of agriculture issues in addition to the issues of deficiency payments and world agriculture which were addressed in Communiqué No. 1.

Farm Debt

The Premiers expressed the need for action on the growing debt crisis in agriculture. They asked their Ministers of Finance and Agriculture to conduct an early review of existing programs, including the Farm Credit Corporation, as well as new approaches to agricultural financing such as the specific equity financing proposals.

As part of the review, western provinces will examine ways of restoring the dominant federal role in agricultural financing across Canada. Premiers agreed that the federal government must be more aggressive in capital programs as well as in traditional means of agricultural financing, such as operating loan guarantees.

Stabilization and Crop Insurance - Safety Nets

The Western Premiers discussed methods of stabilizing farm income and called for improvements to the Western Grain Stabilization Act that would improve responsiveness of the program to regional differences, recognize varying cropping patterns and resolve administrative problems. The Premiers also called for assurances that grain stabilization programs were fair across regions of Canada, referring to the largely Eastern Canadian Agricultural Stabilization Act, which is funded entirely by the federal government, and to the Western Grain Stabilization Act, which is jointly funded by producers and the federal government in Western Canada. Similarly, the Premiers agreed to cooperate with the federal government to ensure that the safety net features of the Crop Insurance Program were maintained and met current conditions. British Columbia noted the lack of federal participation in other agricultural crops in that province.

Grain Transportation

In a discussion of the Western Grain Transportation Act, the Premiers acknowledged the divergent views of farm groups on the method of Crow payment. The Premiers were advised by Alberta and British Columbia of their wish to conduct a pilot project which would pay the Crow Benefit to producers in those provinces.

The Port of Churchill once again received the support of the Western Premiers. They urged continuing efforts to take advantage of opportunities for expanded activity at Churchill.

Milk Marketing

Western Premiers recognized the unique problems of industrial milk production and processing in British Columbia within the national milk supply management system. Many of the concerns identified in British Columbia were also apparent in the other western provinces. The Premiers urged the federal government to undertake an immediate, substantive review and evaluation of the operation of the national milk marketing system.

Research for Cost Reduction

The Premiers restated their 1986 call for increased federal resources for agricultural research and also restated their support for reduced costs and improved productivity through technological and scientific advances. Discussion included the need to review barriers that inhibit the development and availability of generic agricultural chemicals, with the Premiers also calling for strong federal programs that would facilitate the development of new crop varieties to maintain Canada's competitive position in international markets.

Communiqué No. 3: Renewable and Non-Renewable Energy Resources

The Premiers reviewed Canada's energy outlook and agreed that a major Canadian priority should be security of future supply.

The decline of conventional light crude oil production will result in a major oil supply shortfall in the 1990's, according to the National Energy Board. New conventional, heavy oil, and synthetic supplies are necessary to ensure Canada's oil security and to avoid being captive to foreign suppliers. The commitment to security of oil supply must remain a national priority.

The West has an abundance of both renewable and non-renewable energy resources which must be developed to serve Canada's needs and provide for export opportunities. Federal and provincial measures are required to ensure their development. Such development will represent new job opportunities, balanced regional growth, and the introduction of new technologies.

The Premiers reaffirmed the key role Canada's vast, renewable hydroelectric energy resources must play in the economic expansion of western Canada. The full development of those resources - for both domestic and export purposes - will enhance employment and continued economic diversification in the West.

In addition, the western provinces have vast supplies of uranium, coal, heavy oil, oil sands, and natural gas, as well as conventional oil.

Across the West, ethanol production is a developing energy source that also contributes to Canada's energy self-sufficiency and has the additional benefit of utilizing agriculture products.

As one example of new oil supply opportunities, the Premiers of Alberta and Saskatchewan emphasized their continued support for the Husky Bi-provincial Upgrader.

Communiqué No. 4: Trade Negotiations

Premiers agreed that the Canada-United States trade negotiations underway represent a good opportunity for both countries to strengthen and expand their mutually beneficial trading relationship. Premiers reaffirmed that a satisfactory outcome to the negotiations would contribute to the economic development of the Western Provinces.

Premiers specified that a comprehensive Canada-United States trade agreement must include new jointly established rules governing trade in goods and services and a jointly managed dispute settlement mechanism to resolve trade disputes. These are essential to gain secure access for all of western Canada's exports to United States markets. Such a bilateral regime would override the application of current United States trade remedy laws and impending United States trade legislation that jeopardize exports that are vital to western Canada.

The Premiers believe that existing rules respecting investments in Canada provide for mutual benefits for investors and for regions in which the investments occur. Further, they observed that the United States restricts foreign investments in sensitive areas such as national security, security of supply, and communications. Premiers reminded the Canadian and United States governments of the constitutional responsibility that provinces have in the management of their resources.

Premiers gave continued support to the Uruguay round of multilateral trade negotiations under the General Agreement on Trade and Tariffs (GATT). They endorsed Canada's initiative to include agriculture in the negotiations for the first time. As well, they acknowledged significant progress in various international meetings aimed at achieving early reform, discipline, and reduction of agricultural export and domestic subsidies.

Communiqué No. 5: Western Diversification

The Premiers emphasized the importance of long term policies to secure economic stability, growth and diversification in western Canada. To this end, the Premiers urged that an early announcement be made detailing the federal strategy for economic diversification in western Canada.

The Premiers expressed concern over federal practices which direct most industrial expansion and development assistance to central and eastern Canada and reiterated their desire for more equitable federal participation in western diversification, with particular attention to each province's economic circumstances, strengths and potential.

A further area of inequity is the disproportionately low percentage of federal procurement directed to western Canada. A fair procurement and federal agency decentralization program would increase employment and provide significantly more security for western Canadians.

Underlining their commitment to a cooperative approach, the Premiers agreed to establish a Western Ministerial Working Group on diversification to design with the Government of Canada the imminent federal strategy and to promptly report progress to the Premiers.

The Premiers also agreed that the Working Group should work toward the removal of western barriers to trade, investment and diversification; review mutual opportunities; and implement joint initiatives. The group will examine a cooperative western approach toward product and market development in the Pacific Rim, including the possible joint operation of trade offices world wide.

The basic thrust must be to broaden the resource base, to capitalize wherever possible on existing resources by "value adding," developing new products and markets, pursuing secondary manufacturing, and capturing the new global science and information economies.

Western Canada has many exciting and far reaching opportunities for growth and diversification in such priority areas as *Research and Development* - including health care, ocean industries, microelectronics, forest and agricultural biotechnology, uranium, coal and potash research, remote sensing and information/communications systems; *New Resource Development* - including fisheries and aquaculture, special crops, gold and precious metals, coal, forestry, game farming, community water services and irrigation; *Increased Value Added* - including food and beverage processing, agricultural chemicals, fertilizers, chemicals and chemical products, forest processing; *Secondary Manufacturing* - including health industries, communications, electronics, oil field equipment, mining equipment, farm machinery; *Transportation Industries* - including marine equipment, port development, shipbuilding, grain transportation and other rail equipment, aerospace; and *Service Industry Growth* - including tourism, consulting, international trading, financing and project management, and foreign aid and technology transfer.

Western Premiers urged the Government of Canada to ensure that federal framework policies such as tax, monetary or other fiscal policies are supportive of western diversification.

Communiqué No. 6: Federal/Provincial Regulation of Securities

Premiers view with concern the moves by the federal government into areas of provincial jurisdiction in securities markets following the Ottawa-Ontario bilateral agreement made without consulting other provinces.

This bilateral agreement has the effect of influencing the structure and operation of the financial institutions in every province without the knowledge or concurrence of the other provinces. Through the agreement, conditions can be placed on international financial institutions that would pre-empt their entry into a province that does not intend to regulate the exempt market (i.e., a province other than Ontario), thus giving Ontario a favoured position in Canadian capital markets.

There are several other concerns with the agreement as well, including those involving jurisdiction over securities market activity by trust companies and banks.

This intrusion by the federal government is not acceptable, and a federal-provincial conference on security markets and jurisdiction must be held as quickly as possible to facilitate a cooperative solution.

Communiqué No. 7: Meech Lake Accord

The Western Premiers expressed their collective satisfaction that efforts begun at the Annual Premiers' Conference in Edmonton in 1986 to bring about Quebec's full and active participation in the Canadian federation were on the point of achieving success. They unanimously reiterated their commitment to the spirit of the Meech Lake Accord and pledged themselves to the conclusion of a constitutional amendment which was fully reflective of that agreement. They called on all First Ministers to reject pressures to alter the intent of the Accord.

The Western Premiers also discussed their respective objectives in relation to the second round of constitutional discussions provided for in the Meech Lake Accord. *British Columbia and Alberta expressed support for a Triple E Senate.* Manitoba and Saskatchewan agreed to consider a wide range of reforms.

Appendix IV

Premier Getty's Opening Statement First Ministers' Conference

Toronto, Ontario
November 26 - 27, 1987

Mr. Prime Minister, first let me join with my colleagues and extend a warm welcome to Premier McKenna. I enjoyed his participation last night in our first meeting. I also am very pleased to learn, after my own meeting with him, that we now have another supporter of the Triple E Senate. That's a very important matter to Albertans, and I welcome you to the table.

I also want to thank David Peterson for his very thoughtful hospitality. I know Premier Devine couldn't figure out whether he wanted to join or save Ontario. Right now, on this weekend coming up, we want to whip Ontario because, of course, we're both represented in the Grey Cup. And I want to officially bet him right now, one barrel of oil against one barrel of Ontario apples or a barrel of anything else, David.

Prime Minister, I'm pleased we've gathered to meet as First Ministers again. These meetings present an important opportunity for the eleven of us to take a partnership approach to the setting of national objectives and to Canadian economic decision-making.

As you know, Alberta has pressed for these meetings to be assured on an annual basis. I'm very pleased that we will have them confirmed in our Constitution under the Meech Lake agreement.

One of the things we'll be doing during this meeting, Prime Minister, is reviewing our joint progress in a number of important areas. Alberta is particularly interested in the area of women's issues. We have all agreed around this table to work hard in helping women achieve economic equality and, as will be reported by our Ministers responsible for women's issues, much has been done to enhance training and education and employment opportunities for women.

The Government of Alberta has initiated a number of strategies focused on women and designed to promote their full and equal participation in all aspects of our society.

I believe also that as governments we must continue to support and enhance family life. At the same time we must recognize that the shape of families is not always the same as it used to be. As more men and women take on different roles in society, the framework that governments provide must accommodate this diversity.

In Alberta we are committed to ensuring the preservation of family life. Our families are very important to us. Healthy and stable families provide the foundation for strong people, strong communities and a strong province.

This conference is also about Canada's economic performance. I must say, and you pointed it out, Mr. Chairman, that there has certainly been economic growth in Canada over the past two to three years. Unfortunately, not all of Canada has shared in that growth. What I want to see, what Alberta wants to see, is a strong Canada with strong provinces all sharing in a strong economic performance.

While the centre of our nation has prospered dramatically recently, it is fair to say that the eastern and western regions have not. Now there are many factors that tip the economic scales in favour of Central Canada. To add to these advantages by national policies that stack up economic imbalance surely weakens our country and dissatisfies many Canadians. We must do more to balance employment, growth, and opportunity fully across Canada.

When I say that, Prime Minister, I'm not talking of reducing opportunities for those who have them, not at all - but rather making sure our national policies distribute economic opportunities in all parts of Canada.

I think most of you know that Alberta, over the last two years, has suffered pretty dramatically. Our agriculture grain sector, our energy industry, our construction, our real estate industries, our small businesses have been badly hurt. It's on the record that no part of Canada suffered as sharp a drop in economic terms as we have. And our provincial revenue reductions resulted in a three-and-a-half billion dollar deficit for a province of two-and-a-half million people.

But Albertans are resilient people, strong people - that is their heritage. It's left from their pioneers who carved our province from a tough but beautiful terrain matched with a sometimes harsh climate. Some might have panicked but in Alberta our people did not, our government did not. We've been pulling together, we've been working together and we've put in place a foundation for future growth.

And now to my fellow First Ministers and observers, the people of Canada, I want you to know that Alberta is coming back. The tough decisions and the determination of our people are paying off. The upturn is now evident. We're still cautious because we were hurt so badly, but we have optimism that we have most of the package in place. Agriculture is stabilized. Our conventional oil and gas industry has responded to incentives and increased prices, and that has resulted in Alberta being the best place in North America to invest in oil and gas.

We have committed almost two billion dollars to help agriculture and a billion dollars for our small business sector. And we're trying never again to expose Albertans to the devastation that can be caused by negative national or international events that impact on agriculture and energy. Those industries play such a big part in our economy.

One thing, Prime Minister, Alberta over the past 18 months has been in an absolute fist fight to diversify. We are competing with everyone anywhere. In Canada, the United States, Europe and the Pacific Rim. We must broaden our base and we are succeeding. We'll have a chance to talk about economic development tomorrow and I'm looking forward to doing that.

But we are coming back on a broader, more diversified basis. Not just agriculture and energy but research, science, technology, forestry, tourism and the service sector of our economy are responding dramatically as well.

Well, having talked like that, why is our recovery just barely evident? Why are we still cautious? The answer is we must have complementing national policies, and we must have stability in those policies. In agriculture, as I said, it is stabilizing and we congratulate the federal government for your fight on an international basis against subsidies. Alberta and the West grain farmers need to have that subsidy war end. But, Prime Minister, we must have help again until your fight is successful.

Last year's grain deficiency payment was appreciated. We must have another one this year so our grain farmers will be here to enjoy your successes on the international scene. I think that must be obvious to you when you travel in the West.

And we must not change the tax rules for our agriculture producers while they are struggling back. We agree with thoughtful tax reform, but it must not be done to help some if it sacrifices the financial health of our farmers and ranchers.

In energy, our foundation industry, we are coming back more strongly now. There are extremely good policies that are working - policies that your Minister introduced. They are, along with our incentives, providing great growth in the conventional oil and gas industry.

I see, Mr. Prime Minister, some of those policies are now being planned for removal or reduction, and they must be reviewed, because they're really paying off now and we shouldn't change them.

So what else do we need to complete our recovery and to balance the growth in Canada, to provide opportunities to Alberta and Western Canadians?

I think your government has already recognized we need diversification and we need markets.

Your Atlantic Canada Opportunities Agency and your Western Economic Diversification program are right on. Just make sure that the will of your government, the will of your Deputy Minister who's working with us and the Alberta MPs is transferred all the way through to the final delivery.

As I said, we're in a fist fight to diversify in Western Canada. We're going to do it - you've identified an additional tool that will help us - but don't let any administrative or bureaucratic problem limit the effectiveness.

Finally, Prime Minister, we need markets. There is almost nothing so important to us in Alberta or to Canada. Canada is a trading nation; Alberta is a trading province. We produce so much more than we use; we have to sell and we have to have markets to sell; and we must be assured markets - so that we can plan on them, so that our people can invest, so that they'll expand and grow in order to service those markets.

The biggest market in the world, and it has been said here today, is our neighbour and friend to the south.

I think that despite all the programs that we provide for businesses and our ranchers and farmers or that you provide, there couldn't be anything more effective than to provide them with access on a long term assured basis to markets and just let them compete for it. I think that would probably be the healthiest possible thing a government can do. And that's what we're trying to do with our Trade Agreement.

Now our interest doesn't stop at Alberta's borders. We believe this agreement is good for all of Canada. In the West we've always recognized the benefits of trading north and south because we've experienced in the past problems of trading east and west. We've sold our products below world prices, and we've brought products back at above world prices.

This Trade Agreement is extremely important to us. And to hear people talk about rushing it or that we should delay it for some reason really baffles me because it wasn't done quickly. We've been meeting people around this table for 18 months, and I've been meeting people around this table for 18 months, and I've been chairing the Premiers over a lot of that period.

We have met as First Ministers for many, many, many hours. Our designated Ministers have met; our officials have met. We've discussed and talked and worked on this for at least 18 months as I said. This has been something that has been painstakingly developed. I don't understand how people can say this has been rushed.

Now some have pointed out we can't just say "Don't have this Trade Agreement, let's just keep everything the way it is now." That won't happen!

We all know the United States has a trade bill currently before their Congress that is so damaging, so protectionist to Canada, and that would do tremendous damage to our province.

There is no mistake about it - the alternative without a Trade Agreement is extremely difficult times for our country and for Alberta.

The United States is building a fence, a protectionist fence around their nation. Now they are aiming it at Japan and Korea and the European economic community, but we would be caught along with them. With our Trade Agreement we're going to be inside that fence. Every trading nation in the world would like to have a trading agreement with the United States; everyone wants one - we've got one.

For Alberta, I think most of you know the tremendous benefits that we would get in the very sectors of our economy that are so important - agriculture, energy, forestry, petrochemicals, our service companies, and investment. Those are things we're good at, we do well. They are in areas where we can compete with anybody.

But some argue that this agreement is not perfect, it is not ideal in every way. Well, obviously that is so. There is always give and take in any negotiation like this, but it's so much better than what we have or what appears to be coming without it for our country and our province. It is a foundation for remarkable new growth; growth that can be shared by all provinces, not just by Alberta or Quebec or Ontario.

What are some of the fears that we've heard expressed? "We're going to lose our culture, we're going to lose our ability to help regional development" - and you' ve dealt with that today. "We are going to lose our beer industry, we're going to lose our marketing board, we're going to lose our dairy and poultry industry, or even somehow we might lose the CBC." I was told that.

Not one of those things was touched, Mr. Prime Minister. At times you may have wanted one of them to be touched a little.

To my friend, Howard Pawley: Howard, I have trouble with the logic expressed today that this agreement isn't big enough, is too limited, is too small, that we should have got a bigger one, and yet the argument is made that this small one is a threat to our culture and way of life. How can that be? If we want a bigger one, obviously if this little one is a threat, a bigger one would be a bigger threat.

Now some have also said to me there goes medicare, there goes Unemployment Insurance, there go Old Age Pensions, there go Welfare programs and there goes our sovereignty. That's nonsense. All of those things are completely untouched, completely. We will always be free, free to be Canadians, to do things our Canadian way.

Now to my friend, David Peterson. Don't promote the view of a weak Canada - the view of Canada like a mouse beside an elephant. Canada isn't an economic dependent huddling before any country, let alone the United States. We just can't accept that vision of Canada.

Would people have us believe that we will wake up after signing a Trade Agreement with the United States and somehow be less Canadian? I can't picture a Canadian identity that is so weak. I can't believe any Premiers do see one so weak and I can't believe most Canadians do.

But I also have to talk about something that Grant Devine talked about. It really knocks me out, Prime Minister, that we've had federal opposition, politicians from Ontario and some union leaders come to Alberta, and they tell us that free trade in American investment would be bad for us. And then, as Grant did, we looked at places where they live and work. Places again like Oshawa. Oshawa has the lowest unemployment, so low that it is not even on the scale anymore. They have huge American investment and the benefits of managed trade to the United States. And that deal is closely guarded, and rightly so, by Ontario.

But to have these people come to Alberta and tell us that American investment and trade would be bad for us, when they have it and are prospering, is incredible.

Now, some people - and I don't hear it around this table - but some people tried to attack Americans in some way in this deal, implied that there's something bad if you deal with Americans. Somehow they're going to try and do something nasty to us.

Well, when you travel in the United States, you know the toughest thing in the world to do with them is to get them to even think about us, let alone try and hurt us. They are our trading neighbours and friends, and we have the largest, unmanned border between us.

There is an article in a recent copy of *The Economist* and it poses this question: If Canadians and Americans, with their history of friendship and cooperation and 5,525 miles of shared border, can't strike a deal, who in heaven's name can?

But regardless of this, some federal, political leaders are saying if they have a chance, the agreement will be cancelled. I must say we have some of the same types in Alberta. I guess they do what they're told to do because they're against it too, even though it is an incredible opportunity for our province.

Now, they are by far the minority, I'm pleased to say. Howard mentioned about talking to people in rural Manitoba and testing this thing. Well, we had a chance ourselves over the last month.

On Monday, we had a by-election in Alberta - rural Alberta. Trade was the major issue, one of the major issues. Our candidate - by the way, a superb candidate - supported the Trade Agreement strongly. Every other candidate lost their deposit.

I know the way Albertans feel. We believe we have a deal that will work, that will halt growing protectionism, that will generate jobs and prosperity, that will give our children a larger field in which to stretch their talents.

What does this give us that we don't have now? You mentioned some of these, Prime Minister.

Over a period of one to ten years, we'll have the removal of tariffs and duties and trade barriers, so that almost everything we trade between our countries will be Free Trade. We'll have a new Canada/U.S. Trade Commission that will guide future trading relationships between our countries, and we will have senior Canadian and U.S. officials working to put in place an entire new set of rules for` future Canada/U.S. trade.

Now, those would be rules without frivolous countervail charges, or the ability to harass and hurt each other as we now can.

Some complain that those things are still there now, and they are, because they're the laws of their country and they're the laws of our country too, countervail and anti-dumping. And you don't change your laws overnight. You go through a period of time in Congress, in Parliament and in our Legislatures to change laws. You don't change them with an agreement made between two countries. There is a process for laws that has been tested over a hundred years in our democracy in Canada, but this agreement does have both sides working on an entire new set of rules which we would then translate into new laws.

In the meantime, we have a binding dispute settling process. We have independent trade arbitration courts to handle the countervail and dumping charges. As a matter of fact, I'm sure it has been mentioned, but in this agreement, there are two dispute settling mechanisms. The ones that deal with the most damaging part of our trade laws, the countervail and the anti-dumping laws - those decisions are binding in that mechanism.

On other trade matters in this agreement, there is a dispute settling mechanism as well. It's not binding unless both sides give prior agreement.

But think - if you have a frivolous or a capricious charge or a political one, you know you're going to get a ruling against you; and there will be no use going through the process.

These two dispute settling mechanisms will stop so many of the harassing, politically motivated charges that we've been living with from the United States recently. They are strong mechanisms and they're in place until we get the new set of rules.

I must say that Alberta expects to play a major role in the application of the dispute settling mechanism.

Now, we will also have lower costs for our consumers, an important group of people. The goods that flow into Canada from the United States that now have huge tariffs and duties will come in much cheaper. We will eliminate quotas, duties, harassments at the U.S. border and border states. They'll all be eliminated for our beef, pork and lamb exports. Now, that's a huge benefit to Alberta's agriculture community, to all of your agriculture communities.

We're going to have tariffs removed on petrochemicals, forest products, process foods. Our businesses, both small and big businesses, will be able to bid on billions and billions of dollars of U.S. federal government procurement. It can't be touched now.

And we're going to have investments flow into our country for future expansion. It will surprise some people, but we would not like to be as reliant as we are for investment from Bay Street. And in Alberta we're going to get huge investments, the kind that Premier Bourassa was talking about, in the development of our heavy oil, our oil sands and our conventional oil. And we're going to be able to provide those products at market prices, not artificially low prices dictated to us.

And I want to set the record straight on energy. The Free Trade Agreement opens up and secures markets for our energy. It does not create a continental energy policy. Provincial constitutional responsibility for resources does not change. Alberta will own, control and manage her resources. The resources belong to the people of Alberta, will be managed on their behalf by their government, the Government of Alberta, as we do now.

Companies, whether they are Canadian or from anywhere else in the world, if they wish to invest in Alberta, or have access to our resources, must play by the rules that the Legislature of Alberta sets.

We feel that many of those who object believe - and I understand their philosophy, they don't hide it - they believe in intervention, they believe in restrictions. They believe they must have the central government helping them to be competitive.

I say, trust the strength and resourcefulness of your people. Trade, enhanced trade, allows the Canadian people and businesses to flex their muscles, become efficient and compete anywhere freely, and shake off governments.

Prime Minister, over time, people will get to know the complexities of this agreement. There were a group of people from Ontario talking to me the other day and saying "yes, but we must know the written details," and they will. But I did ask them, "do you know the details of the Auto Pact?" There were eight of them and not one of them knew the details of the Auto Pact.

So whether it works matters, not where the commas are.

While we are waiting for everyone to understand this agreement, what should they base their judgement on? I say base it on your vision of our country, because what is your vision of Canada? Is it a vision of a country that is unable to compete, that is timid, that lacks courage, that needs subsidies, that needs protection, that believes if you trade with someone you'll lose your sovereignty and your identity? Without confidence?

Or is your vision one of a nation that is strong, independent, aggressive? One that seeks and needs markets? One that looks at trading as an opportunity to expand and grow, and provide jobs and futures for our children and able to compete with anyone? And above all, a country and a people that are confident and very happy to be Canadian.

Prime Minister, that's the vision of Canada that Albertans have. I trust we will move in those types of direction today and provide the leadership to our nation.

Thank you.

Appendix V

Premier Getty's Remarks on Economic Development First Ministers' Conference

Toronto, Ontario
November 26 - 27, 1987

Mr. Prime Minister, it is clear when you talk about the economy and economic development in Alberta, you would have to acknowledge that over the past two years Alberta has been badly hurt.

The impact on our economy of the international events that have hurt agriculture and energy have been deeply felt in our province. And, of course, that also ends up having quite a dramatic impact on our budget. And our province of two-and-a-half million people, as I said yesterday, has had to deal with a $3.5 billion deficit.

When our foundation industries of agriculture and energy are hurt, it flows automatically through to our construction industry, our real estate industry and our small business and our financial institutions.

And when the people are hurt, the government must help them. I know we have discussed that as First Ministers, we have to help people who have been hurt in agriculture. People who have been hurt in the oil and gas sector when it was down had to be helped. People who are caught up in the financial institutional failures had to be helped.

It is ironic that the greatest strain on a province to help is when your own financial affairs are so badly impaired with shortage of funds and a huge deficit.

Agriculture has been the number one priority of our government in Alberta and it remains that way. We have done everything we can to work with agriculture to come through the downturn which is impacting so heavily on our grains sector.

What we have tried to do here is make sure that they are with us and healthy in the future when your international efforts pay off in the European economic community and the United States.

What we have tried to do, since we cannot control those selling costs, is help with input costs. The cost of money and the cost of energy are two huge input costs for agriculture and we have helped as much as we can in those areas. It has been something we could do in energy because we are the energy province. We have also been able to provide some $2 billion to stabilize agriculture's debt problem as they go through this downturn in Alberta.

We have also tried to make sure - working with the federal government - that we are providing twin safety nets of insurance and stabilization.

I think people in agriculture have to know that there is a limit to their downside risk, that when they put a crop in each year and expand a herd, that there is some limit - that their house, their home and their families will not be completely taking a risk and that, therefore, there should be some safety net. We consider that our federal/provincial insurance and federal/provincial stabilization programs are extremely important.

Now, at the same time that agriculture was suffering in the grain sector, as you know, there was a large problem with international energy prices. We felt that we had to help there, and we put in some $1 billion of incentives in royalty reductions. We did have, and are receiving, help with the tax situation in the flow-through shares, because capital is needed so much - it flees when you have problems and it is needed so much for our comeback in the energy area.

In Alberta, too often people think of us as big oil, when really Alberta is a province of small businesses. We have had to help our small businesses get through this dramatic downturn. And when you help small businesses and as they start to gain strength - and they are strengthening again in Alberta - you realize what an engine of growth they are and the jobs they quickly provide and how resilient and tough small business people are. We are seeing that happening in Alberta. We did provide a billion dollars of assistance to them and they have responded very dramatically.

And, as we talked about yesterday, when you are trying to help your economy, you have to make sure you do not lose sight of your people programs. And Alberta, of course, has what we consider to be the highest level of excellence in people programs, whether it is health, social services, senior citizens' programs, or education. We must maintain the health of those programs.

Well, as I said yesterday, we can see now that our province is coming back. It is extremely important at this stage that we have stability and policies we can count on, and it is key that our tax, our transportation, our fiscal policies and markets - as we talked about yesterday - do

not change. Those things that are working - leave them and allow them to work. Those things that are not working - we can change them and make them better.

I was particularly interested to see your reaction yesterday about the need to leave in place the things that are helping us now in our conventional oil and gas industry. We have an ability through the flow-through share system to attract capital to our small oil and gas producers. They need it. We have the program that we developed with Mr. Masse on the exploration and development incentive programs. They are working, and I think it would be extremely foolish now, just as we are coming out of this downturn, to change them.

So, Mr. Prime Minister, I hope you will make sure that Mr. Wilson will not be making changes. I understand the principles behind his tax reform, but it is the wrong time to make changes if we are counting on those policies.

And, of course, that is true with agriculture as well.

Now, I was very pleased this morning when you talked about an announcement before Christmas of assistance to our agriculture producers. We will want to work with you to see how that develops, but I know that Premier Devine and I, and Premier Pawley, have been pushing very strongly for assistance in the grain sector. I urge you to have your Minister of Agriculture work with our Ministers to make sure it is as effective as possible.

One of the things we must be careful about is that so many of the problems that impact on our economy are beyond our control. Let us, therefore, not do those things within our control that hurt us. We must not.

While we bring back the strength of our agriculture industry and our energy industry, we are fighting in Alberta to diversify. I think in any diversification it is extremely important that you do it on the basis of your strengths.

We have identified in Alberta our strengths - in addition to agriculture and energy, our tourism. Premier Ghiz talked about tourism and his lovely province. Well, we have a magnificent province as well - very beautiful mountains and plains and cities and streams. And of course we have the additional assistance of the Olympics coming. We have put a great emphasis on tourism to diversify our economy. We have created a new Department of Tourism. We never had one in Alberta; we have one now because we are serious about diversification. And our tourism is responding dramatically. It is going to soon challenge energy and agriculture in its size and impact on our province. We have set a target of bringing it from a $2 billion industry this year to a $10 billion industry by the mid-1990's. It is an ambitious target, but it is one we are determined we are going to hit.

Another industry in Alberta that we are pursuing aggressively in our fist fight to diversify is our forestry resource. Because people have talked so much about Alberta's oil and gas industry, they may have lost sight of this tremendous forest resource we have. And, in a way, at times, our government has too.

In Alberta, we do not just insist that people replace our forests when they harvest them. We are actually growing forests where they were never grown before. So, we are actually increasing our forest resource.

And again, we have, for the first time, created a Forestry Department and we have given them the mandate to make this a much bigger part of Alberta's economy. We have been working with the federal government in that area.

It is paying off. We have four major forest projects either now underway or about to go in that province. And those projects could have gone anywhere in the world and we have gone out and fought for them. You are going to see in the future that forestry is a much bigger part of Alberta's economy.

A third area, and Premier Peterson was talking about it yesterday, is this whole area of research - science and technology.

We have in Alberta, a unique partnership; a partnership between our private sector, our universities, our technical colleges and the government. This partnership is working and we are making breakthroughs in research and science and technology.

What Alberta is doing is medical research - probably the largest area of medical research in North America, perhaps in the world. The breakthroughs when you visit the scientists, the researchers who are working in our province, the kinds of things that they are able to do, are actually breathtaking. And that, of course, pays off all over Canada.

So, Mr. Prime Minister, the message I am giving to you and my colleagues and people of Canada is that Alberta is coming back. Alberta is coming back not just in agriculture and energy but on a broader basis; its science, its research, technology, tourism, forestry - a much more diversified base. But to do it as we come out of this terrible turndown we have been in, we must count on complementary policies on a national basis.

We must know that your tax reform will not set us back. We must know that the western diversification office, as I said yesterday, fulfills its promise. It was the right move at the right time. But we announced it in August. We still have not had a project. My Minister is sitting beside me, my Minister of Economic Development and Trade, and works very closely with Mr. McKnight. But we have to have our efforts now start to flow across our province in additional diversification.

So, as I challenged you yesterday, make sure that the will your government has expressed flows through the bureaucracy and the administration and actually has its impact on the people.

The other thing we are looking for, the challenge that is before us, is in our agricultural area. We have been urging this deficiency payment - I hope that is what you are talking about. I know we have also been urging the federal government to provide help in the area of transportation. Premier Vander Zalm and I corresponded with you about what we think is a better way to handle the Crow Benefit Payment. Now, there are differences of opinions in Canada about that payment, but agriculture producers in our province think it should be handled differently; that it should go right to the producers, not to the railroads.

Now, accepting that there is a difference of opinion, then what we - British Columbia and Alberta - have proposed is to let us test it. Let us take a three or five year period of time and let us run a pilot project. Let Alberta and British Columbia pay that benefit directly to our producers. Let us have the flexibility to leave the others as they are, and then let us see whether we are right or they are right; and let us see how it works.

I think that is a challenge to a federal government because it requires a degree of flexibility that is sometimes difficult to work into national programs.

But we think in this case - we have researched it - we think we can. And Premier Vander Zalm and I will be following up with you on getting the Crow Benefit paid to our producers where they can decide what to do with those dollars.

I guess there is one final thing that we need to work on with the federal government in the future to make sure our economic development continues and that is, as we were talking about yesterday, the huge investments that we anticipate coming into our heavy oil, our oil sands, natural gas, and conventional oil and gas.

We have currently before us a lot of work being done for a heavy oil upgrader. You know, we are producing a lot of heavy oil and we are selling it but we are taking the risk that the markets will be there in the future for heavy oil. There is no reason to believe they always will be.

But if we build now for the future, with a heavy oil upgrader, we will be able to upgrade that resource and then it can compete in any oil market.

If we do not provide the ability to upgrade that oil, then we will be taking the risk the markets will end. Our heavy oil production will be dramatically hurt and we will lose one of the large areas of investment for our province.

So, your Deputy Prime Minister and I and Premier Devine will be working along with Minister Masse in the coming days and weeks, but I urge you to make sure that we do not lose our thrust in this area.

Now, the other area that we still have in front of us is the exciting area of the oil sands. Alberta has in its oil sands greater oil resources than all of the Middle East - this huge store house that we hear about in the Middle East. Alberta has in oil sands more than that.

And we know how to produce from them. We have proven that we can produce from them, and produce economically at today's prices. So if we have the resource, we know how to produce it. This world needs energy; our trading partner in the United States needs energy; right now they are running aircraft carriers up and down the Mediterranean to keep their life line of oil available. Think of the additional cost to them for that energy. Think also how they would like to have a supply by pipeline, over ground, secure from a friendly neighbour that would take the pressure off that oil from the Mediterranean.

So it is extremely important that the fiscal and tax arrangements, along with our royalty system, allow the kind of development that is necessary in Alberta's oil sands.

Mr. Prime Minister, I listened to my Premiers, colleagues, speaking yesterday and today about the challenges that they face. Alberta is pleased that we have worked our way through our downturn, and that we are now prepared to shoulder our share of the challenges that are facing Canada in the future and, of course, our province. We are now again emerging as strong, confident, able to participate in the growth that you have been describing.

In addition to all the resources and the mountains and the streams and the beauty of our province, and our forests and our oil and gas - in addition to all of that, the thing that makes me so confident of Alberta's future, is the people of our province. Because they have been so resilient and tough, as we have gone through this downturn. You walk about with them and talk to them and see the determination of their faces and their ability to keep their eye on the potential of our province, rather than dwelling in the negatives that they have gone through. I feel there is so much strength in our province, and it is the people.

So the challenge for us, then, is to work with the federal government and ourselves, to bring together the things that we can develop, match our resources with the strength that I have just talked about of the people, and then build for the future.

That is the challenge, Mr. Prime Minister, and we welcome your assistance.

Appendix VI

Barriers to Interprovincial Trade

First Ministers:

- recognizing that all jurisdictions in Canada must seek to build a Canadian economy which is both competitive in the context of the world market place, and equitable in the context of Canadian society as a whole;

- confirming their commitment both to regional development, as set out in the nine fundamental principles on regional economic development endorsed in February 1985 at Regina, and to the reduction of barriers to interprovincial trade;

- recognizing that:

  - policies and practices which hinder trade, fragment the domestic market and adversely affect the international competitiveness of Canadian goods and services; and

  - as a general rule, increased interregional trade will lead to productivity improvements and import substitution and thereby benefit all regions of the country;

- desiring to undertake collective action with the intent of reducing or eliminating barriers to trade between provinces in the context of national regional development principles and recognizing the development needs of all regions within Canada;

- being convinced it is both necessary and timely to take further and more concrete steps to ensure, consistent with the mutual interests and economic goals of all governments, that markets within Canada operate in an open and efficient manner;

- noting, therefore, that it would be inconsistent to introduce new barriers;

- have agreed:

  - to establish a Committee of Ministers on Internal Trade representing all provinces and the federal government, and reporting to First Ministers;

  - that the Committee of Ministers will be co-chaired by a provincial Minister, who will serve on a rotating basis, and the federal minister responsible for the new Department of Industry, Science and Technology;

  - that the Committee of Ministers will be responsible for:

    - continuing identification of existing barriers to efficient and balanced internal trade in Canada;

    - receiving representations from individuals, businesses, industry associations and governments concerning new and existing government policies, programs, regulations and practices which they believe impede trade in Canada;

    - examining barriers identified through research and representation and reducing and removing such barriers through consultation and appropriate negotiation and mediation processes;

    - reporting to the First Ministers on internal trade conditions in Canada and on their efforts to reduce or remove barriers to interprovincial trade; and

  - that the Committee of Ministers will give immediate attention to barriers relating to:

    - government procurement,

    - liquor board marketing practices and

    - transportation regulations,

    with a view to reporting to their respective First Ministers by June, 1988;

  - that the Committee also examine issues relating to:

    - professional mobility and

    - norms and standards (e.g., product or construction standards);

  - that the above initiatives will be undertaken without prejudice to powers exercised by governments under the Constitution; and

  - that the Ministers of the Committee will allocate the resources necessary to support the Committee's activities.

Appendix VII

Federal - Provincial and Interprovincial Programs and Agreements

Signed During the Fiscal Year April 1, 1987 to March 31, 1988.
Listed By Department Responsible.

Advanced Education

1. Alberta-Saskatchewan-Manitoba-British Columbia Western College of Veterinary Medicine Agreement.
2. Alberta-Ontario Teacher Certification Agreement.
3. Alberta-Canada Agreements on Canadian Job Strategy Training Programs:
   (1) Security Officer Training Program.
   (2) Hospitality Service Training Program.
   (3) Certificate Training Program for Caring of Physically Disabled.

Agriculture

1. Alberta-Canada Agreements on Soil, Water and Cropping Research and Technology Transfer.
2. Alberta-Canada Crop Insurance Agreement (1987/88 Amendment).

Agriculture and Forestry, Lands and Wildlife

1. Alberta-Canada Waterfowl Crop Damage Compensation Program Agreement (1987/88 Amendment).

Alberta Oil Sands Equity

1. Alberta-Esso Resource Canada OSLO Project upgrading Technology Evaluation Secrecy Agreement.

Alberta Research Council

1. Alberta Research Council Contract Amendment on Study of Geopressure and Hydrogeology of the Beaufort-Mackenzie Basin - Phase III.
2. Alberta Research Council-Canada Contract on Testing of Liquid and Gaseous Oxygen Samples.
3. Alberta Research Council-Canada Contract Amendment on Analytical Method Development.
4. Alberta Research Council-Saskatchewan Research Council MOU with respect to Joint Electronics Design, Evaluation and Testing.
5. Alberta Research Council-Canada MOU with respect to cooperation in transfer of Microwave Integrated Circuit Technology to Pelorus Navigation Systems Incorporated.
6. Alberta Research Council-Canada contract on Load Effects on Stressed Skin-Panels and Waveboard.
7. Alberta Research Council-Canada Contract on Development of Procedures for the Improved Use of New Binders in Waferboard and Oriented Strandboard Production.
8. Alberta Research Council-Saskatchewan Research Council MOU with Respect to Joint Contractual Working Relationship.
9. Alberta Research Council-Canada Fundamental Properties of Tailings Sludge from Hot Water Extraction of Oil Sands Contract.
10. Alberta Research Council-Canada Direct Conversion of Methane to Higher Hydrocarbons through Oxidative Coupling Contract.

11. Alberta Research Council-Canada Contract on Possible Impact of Future Bitumen Recovery at AOSTRA Underground Test Facility Site.

12. Alberta Research Council-National Research Council of Canada Artificial Intelligence Workshops Contract.

13. Alberta Research Council - National Research Council IRAP Program Contribution Agreement (for F.Y. 87/88).

Career Development and Employment

1. Alberta-Canada Agreement concerning the Collection and Sharing of Information on Human Resources Training Development.

2. Alberta-Canada MOU for a Youth Employment Service Centre.

Culture

1. Alberta-Canada MOU on Canadian Heritage Festival.

Energy

1. Alberta-Canada Gas Pricing and Market Development Incentive Payments Agreement (Amendment).

2. Alberta-Canada-TransCanada Pipelines Ltd. Transportation Assistance Program (TAP II) Agreement.

3. Syncrude Project-Alberta Crown Agreement (Amendment).

Environment

1. Alberta-Canada-Northwest Territories-Saskatchewan Research Council Contractual Agreement on study to evaluate the role and importance of particulate emissions in determining the chemical characteristics of precipitation and deposition in Western and Northern Canada.

Forestry, Lands and Wildlife

1. Alberta-Canada Migratory Bird Accord.

2. Alberta-Northwest Territories Cooperative Forest Fire Zone Agreement.

Hospitals and Medical Care

1. Alberta-British Columbia Agreement for the Reciprocal Processing of Out-of-Province claims for medical services by physicians.

Labour

1. Alberta-Canada Inspection of Elevators and Inspection of Boilers Agreement.

Municipal Affairs

1. Alberta-Canada Mortgage and Housing Corporation (CMHC) Rural and Native Housing Agreements:

   (1) Rural Emergency Home for Driftpile River Band.

   (2) Housing Loan for Whitefish Lake Band.

   (3) Rural and Native Demonstration Program - Provide assistance to rural and native families in isolated communities.

2. Alberta-Canada Mortgage and Housing Corporation (CMHC) Amendment Agreement to the Global Housing Operating Agreement.

3. Alberta-Canada Hamlet of Fort McKay Waste and Sewer Service Agreement.

4. Alberta-Canada Tompkins Landing Water Group Project I.D. #73.

5. Alberta-Canada Zama Community Project and Buffalo Head Prairie Group Project re Water Supply Development Agreement.

Office of the Premier

1. 1987 Meech Lake Accord.

Provincial Treasurer

1. Alberta-Quebec Agreement for the exchange of information relating to Tobacco Tax.

2. Alberta-British Columbia Exchange of Information Agreement for the purpose of administrating Consumption Tax.

3. Alberta-Canada Tax Collection Agreement (Amendment).

4. Alberta-Ontario Agreement for the exchange of information relating to the administration and enforcement of provincial and territorial taxes.

Public Safety Services

1. Alberta-Canada Agreement on providing for the payment of Compensation in respect of the injury or death of Civil Defense Workers.

2. Alberta-Canada Agreement on Emergency Planning and Response in National Parks.

3. Alberta-Canada Joint Emergency Planning Project Agreement (JEPP):

   (1) Funding of a computerized expert system to respond to chemical disasters.

   (2) Olympic Emergency Communications Systems for Canmore.

   (3) Peace River Region-Rescue Vehicle.

   (4) Regional Communication System-Improvement District #14.

   (5) County of Strathcona #20-Regional Emergency Communications System Central Dispatch.

   County of Strathcona Regional Dangerous Goods Commands/Control Unit.

   (6) County of Parkland #31 Regional Emergency Communications Systems.

   (7) County of Flagstaff and City of Leduc Emergency Response Vehicle.

   (8) HERMES Demonstration and Conversion.

   (9) Public Safety Services Library Resource Development.

   (10) City of Leduc - Multi-Purpose Vehicle.

Public Works, Supply and Services

1. Alberta-Canada Loan Agreement which relates to Equipment to be used for an Alberta Government Trial of VSAT Technology and System Applications.

2. Alberta-Canada Use and Occupancy Agreements:

   (1) University Research Park, Calgary.

   (2) Provincial Building, Grande Prairie, Alberta.

Social Services

1. Alberta-Canada Accord on Employability Enhancement for Social Assistance Recipients.

2. Alberta-Canada Blackfoot Social Services Society Child Welfare Subsidiary Agreement (for F.Y. 87/88).

3. Alberta-Canada Lesser Slave Lake Child Welfare Agreement (for F.Y. 87/88).

Solicitor General

1. Alberta-Canada Exchange of Correctional Services Agreement (Amendment).

2. Alberta-Canada Parole Supervision Agreement (also known as Parole and Community Corrections Service Agreement) (Amendment).

3. Alberta-Canada Memorandum of Agreement on Grierson Centre Correctional Services.

4. Alberta-Manitoba Exchange of Services for Prisoners Agreement.

5. Alberta-Saskatchewan Exchange of Correctional Services Agreement.

6. Alberta-Canada MOU on Security Offences.

7. Alberta-Canada Immigration Detention Agreement.

Tourism

1. Alberta-Canada Economic and Regional Development Agreement (ERDA) - Amendment on Tourism Subsidiary Agreement.

Transportation and Utilities

1. Alberta-Canada Fort Chipewyan Airport Subsidy on Maintenance and Operating Agreement.

2. Addendum to the Memorandum of Understanding Respecting a Federal-Provincial-Territorial Agreement on the Adoption of a National Safety Code for Motor Carriers.

3. Alberta-British Columbia Periodic Motor Vehicle Inspection Program.

4. Alberta-Canada Yellowhead Highway Improvement Program.

Appendix VIII

International Agreements Involving Alberta

Signed During the Fiscal Year April 1, 1987 to March 31, 1988.
Listed By Department Responsible.

Advanced Education

1. Alberta-Singapore Education Training Agreement.

Agriculture

1. Alberta-U.S.S.R. Agriculture Agreement.

Energy

1. Alberta-Canada - International Energy Agency (IEA) Coal Combustion Science Agreement.

Environment

1. Alberta-United States National Environment Satellite, Data and Information Service Memorandum of Agreement.

2. Alberta-Commonwealth Institute of Biological Control European Station, Switzerland Environmental Service Research Agreement.